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HEALTH ANNUAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2011
OF THE CONDITION AND AFFAIRS OF THE

UnitedHealthcare Community Plan, Inc.

NAIC Group Code 0707 (Current) 0707 (Prior) NAIC Company Code 95467 Employer's ID Number 38-3204052

Organized under the Laws of Michigan, State of Domicile or Port of Entry Michigan

Country of Domicile United States of America

Licensed as business type: Health Maintenance Organization

Is HMO Federally Qualified? Yes [ ] No [X]

Incorporated/Organized 01/11/1994 Commenced Business 10/11/1994

Statutory Home Office 26957 Northwestern Highway, Suite 400 (Street and Number), Southfield , MI 48033 (City or Town, State and Zip Code)

Main Administrative Office 26957 Northwestern Highway, Suite 400 (Street and Number)
Southfield , MI 48033 (City or Town, State and Zip Code), 248-559-5656 (Area Code) (Telephone Number)

Mail Address 9900 Bren Rd East, MN008-W345 (Street and Number or P.O. Box), Minnetonka , MN 55343 (City or Town, State and Zip Code)

Primary Location of Books and Records 26957 Northwestern Highway, Suite 400 (Street and Number)
Southfield , MI 48033 (City or Town, State and Zip Code), 952-936-1269 (Area Code) (Telephone Number)

Internet Website Address www.uhcgreatlakes.com

Statutory Statement Contact Andrea A Woods (Name), 952-936-1269 (Area Code) (Telephone Number)
andrea_a_woods@uhc.com (E-mail Address), 952-936-1370 (FAX Number)

OFFICERS

President David Keith Livingston
Chief Financial Officer Carol Ann Gothard #
Secretary Eric Jacob Wexler
Treasurer Robert Worth Oberrender

OTHER OFFICERS

Michelle Marie Huntley Dill # Assistant Secretary

DIRECTORS

Chris Alan Scherer	James Daniel Donovan	John Joseph Kaelin
Laura Ann Spicer	William Everett Ralston	

State of	State of	State of
County of	County of	County of

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

David Keith Livingston	Eric Jacob Wexler	Carol Ann Gothard
President	Secretary	Chief Financial Officer

Subscribed and sworn to before me this	Subscribed and sworn to before me this	Subscribed and sworn to before me this
____ day of ____	____ day of ____	____ day of ____

a. Is this an original filing?.................................... Yes [X] No [ ]
b. If no,
1. State the amendment number……………..
2. Date filed…………………………………..
3. Number of pages attached…………………

ASSETS

		Current Year 1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	Prior Year 4 Net Admitted Assets
1.	Bonds (Schedule D)	39,853,474		39,853,474	41,826,286
2.	Stocks (Schedule D):				
	2.1 Preferred stocks			0	0
	2.2 Common stocks			0	0
3.	Mortgage loans on real estate (Schedule B):				
	3.1 First liens			0	0
	3.2 Other than first liens			0	0
4.	Real estate (Schedule A):				
	4.1 Properties occupied by the company (less $ .... encumbrances)			0	0
	4.2 Properties held for the production of income (less $ .... encumbrances)			0	0
	4.3 Properties held for sale (less $ .... encumbrances)			0	0
5.	Cash ($ (6,180,537) , Schedule E - Part 1), cash equivalents ($ 2,003,538 , Schedule E - Part 2) and short-term investments ($ 127,467,826 , Schedule DA)	123,290,827		123,290,827	109,209,018
6.	Contract loans, (including $ .... premium notes)			0	0
7.	Derivatives (Schedule DB)			0	0
8.	Other invested assets (Schedule BA)			0	0
9.	Receivables for securities	0		0	0
10.	Securities lending reinvested collateral assets (Schedule DL)			0	0
11.	Aggregate write-ins for invested assets	0	0	0	0
12.	Subtotals, cash and invested assets (Lines 1 to 11)	163,144,301	0	163,144,301	151,035,304
13.	Title plants less $ .... charged off (for Title insurers only)			0	0
14.	Investment income due and accrued	804,505		804,505	640,449
15.	Premiums and considerations:				
	15.1 Uncollected premiums and agents' balances in the course of collection	1,406,505		1,406,505	0
	15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $ .... earned but unbilled premiums)			0	0
	15.3 Accrued retrospective premiums			0	0
16.	Reinsurance:				
	16.1 Amounts recoverable from reinsurers	78,900		78,900	0
	16.2 Funds held by or deposited with reinsured companies			0	0
	16.3 Other amounts receivable under reinsurance contracts			0	0
17.	Amounts receivable relating to uninsured plans	1,192,513		1,192,513	1,075,346
18.1	Current federal and foreign income tax recoverable and interest thereon			0	1,124,066
18.2	Net deferred tax asset	2,222,182		2,222,182	675,943
19.	Guaranty funds receivable or on deposit			0	0
20.	Electronic data processing equipment and software			0	0
21.	Furniture and equipment, including health care delivery assets ($ ....)			0	0
22.	Net adjustment in assets and liabilities due to foreign exchange rates			0	0
23.	Receivables from parent, subsidiaries and affiliates			0	0
24.	Health care ($ 5,466,680) and other amounts receivable	9,405,557	3,938,877	5,466,680	5,084,216
25.	Aggregate write-ins for other than invested assets	0	0	0	0
26.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	178,254,463	3,938,877	174,315,586	159,635,325
27.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	0
28.	Total (Lines 26 and 27)	178,254,463	3,938,877	174,315,586	159,635,325
	DETAILS OF WRITE-INS				
1101.					
1102.					
1103.					
1198.	Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199.	Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)	0	0	0	0
2501.					
2502.					
2503.					
2598.	Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599.	Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	0	0	0	0

LIABILITIES, CAPITAL AND SURPLUS

	Current Year 1 Covered	2 Uncovered	3 Total	Prior Year 4 Total
1. Claims unpaid (less $ 1,226,313 reinsurance ceded)	93,934,135		93,934,135	77,932,419
2. Accrued medical incentive pool and bonus amounts	1,383,572		1,383,572	1,195,824
3. Unpaid claims adjustment expenses	1,270,747		1,270,747	935,262
4. Aggregate health policy reserves, including the liability of $ for medical loss ratio rebate per the Public Health Service Act	238,095		238,095	129,695
5. Aggregate life policy reserves			0	0
6. Property/casualty unearned premium reserves			0	0
7. Aggregate health claim reserves			0	0
8. Premiums received in advance			0	23,573
9. General expenses due or accrued	6,038,588		6,038,588	276,723
10.1 Current federal and foreign income tax payable and interest thereon (including $ 0 on realized capital gains (losses))	1,834,307		1,834,307	0
10.2 Net deferred tax liability			0	0
11. Ceded reinsurance premiums payable	158,076		158,076	0
12. Amounts withheld or retained for the account of others			0	0
13. Remittance and items not allocated	3,701		3,701	0
14. Borrowed money (including $ current) and interest thereon $ (including $ current)			0	0
15. Amounts due to parent, subsidiaries and affiliates	2,065,132		2,065,132	10,562,491
16. Derivatives			0	0
17. Payable for securities			0	1,340,066
18. Payable for securities lending			0	0
19. Funds held under reinsurance treaties (with $ authorized reinsurers and $ 0 unauthorized reinsurers)			0	0
20. Reinsurance in unauthorized companies			0	0
21. Net adjustments in assets and liabilities due to foreign exchange rates			0	0
22. Liability for amounts held under uninsured plans	1,157		1,157	0
23. Aggregate write-ins for other liabilities (including $ current)	7,507	0	7,507	37,435
24. Total liabilities (Lines 1 to 23)	106,935,017	0	106,935,017	92,433,488
25. Aggregate write-ins for special surplus funds	XXX	XXX	0	0
26. Common capital stock	XXX	XXX		
27. Preferred capital stock	XXX	XXX		
28. Gross paid in and contributed surplus	XXX	XXX	47,003,392	47,003,392
29. Surplus notes	XXX	XXX		0
30. Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
31. Unassigned funds (surplus)	XXX	XXX	20,377,177	20,198,445
32. Less treasury stock, at cost:				
32.1 shares common (value included in Line 26 $)	XXX	XXX		
32.2 shares preferred (value included in Line 27 $)	XXX	XXX		
33. Total capital and surplus (Lines 25 to 31 minus Line 32)	XXX	XXX	67,380,569	67,201,837
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	174,315,586	159,635,325
DETAILS OF WRITE-INS				
2301. Unclaimed Property	7,507		7,507	37,435
2302.				
2303.				
2308. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2309. Totals (Lines 2301 thru 2303 plus 2308)(Line 23 above)	7,507	0	7,507	37,435
2501.	XXX	XXX		
2502.	XXX	XXX		
2503.	XXX	XXX		
2598. Summary of remaining write-ins for Line 25 from overflow page	XXX	XXX	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	XXX	XXX	0	0
3001.	XXX	XXX		
3002.	XXX	XXX		
3003.	XXX	XXX		
3098. Summary of remaining write-ins for Line 30 from overflow page	XXX	XXX	0	0
3099. Totals (Lines 3001 thru 3003 plus 3098)(Line 30 above)	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

		Current Year		Prior Year
		1 Uncovered	2 Total	3 Total
1.	Member Months	XXX	2,918,785	2,722,965
2.	Net premium income (including $ non-health premium income)	XXX	890,754,832	800,242,736
3.	Change in unearned premium reserves and reserve for rate credits	XXX	(108,400)	(88,286)
4.	Fee-for-service (net of $ medical expenses)	XXX	0	0
5.	Risk revenue	XXX	0	0
6.	Aggregate write-ins for other health care related revenues	XXX	0	0
7.	Aggregate write-ins for other non-health revenues	XXX	0	0
8.	Total revenues (Lines 2 to 7)	XXX	890,646,432	800,154,450
	Hospital and Medical:			
9.	Hospital/medical benefits		609,270,466	540,399,702
10.	Other professional services		12,392,239	13,398,398
11.	Outside referrals		0	0
12.	Emergency room and out-of-area		32,899,747	31,721,649
13.	Prescription drugs		85,160,287	78,893,095
14.	Aggregate write-ins for other hospital and medical	0	0	0
15.	Incentive pool, withhold adjustments, and bonus amounts		4,771,814	4,362,920
16.	Subtotal (Lines 9 to 15)	0	744,494,553	668,775,764
	Less:			
17.	Net reinsurance recoveries		1,859,793	440,675
18.	Total hospital and medical (Lines 16 minus 17)	0	742,634,760	668,335,090
19.	Non-health claims (net)			
20.	Claims adjustment expenses, including $ 8,853,295 cost containment expenses		15,793,021	33,083,874
21.	General administrative expenses		130,114,068	95,403,114
22.	Increase in reserves for life and accident and health contracts (including $ increase in reserves for life only)		0	0
23.	Total underwriting deductions (Lines 18 through 22)	0	888,541,849	796,822,078
24.	Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	2,104,583	3,332,373
25.	Net investment income earned (Exhibit of Net Investment Income, Line 17)		1,346,533	1,154,155
26.	Net realized capital gains (losses) less capital gains tax of $ 105,786		163,848	98,358
27.	Net investment gains (losses) (Lines 25 plus 26)	0	1,510,381	1,252,513
28.	Net gain or (loss) from agents' or premium balances charged off [(amount recovered $) (amount charged off $)]			
29.	Aggregate write-ins for other income or expenses	0	0	0
30.	Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	XXX	3,614,964	4,584,886
31.	Federal and foreign income taxes incurred	XXX	1,071,519	1,242,712
32.	Net income (loss) (Lines 30 minus 31)	XXX	2,543,445	3,342,174
	DETAILS OF WRITE-INS			
0601.		XXX		
0602.		XXX		
0603		XXX		
0698.	Summary of remaining write-ins for Line 6 from overflow page	XXX	0	0
0699.	Totals (Lines 0601 thru 0603 plus 0698)(Line 6 above)	XXX	0	0
0701.		XXX		
0702.		XXX		
0703		XXX		
0798.	Summary of remaining write-ins for Line 7 from overflow page	XXX	0	0
0799.	Totals (Lines 0701 thru 0703 plus 0798)(Line 7 above)	XXX	0	0
1401.				
1402.				
1403.				
1498.	Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499.	Totals (Lines 1401 thru 1403 plus 1498)(Line 14 above)	0	0	0
2901.				
2902.				
2903				
2998.	Summary of remaining write-ins for Line 29 from overflow page	0	0	0
2999.	Totals (Lines 2901 thru 2903 plus 2998)(Line 29 above)	0	0	0

STATEMENT OF REVENUE AND EXPENSES (Continued)

		1 Current Year	2 Prior Year
	CAPITAL AND SURPLUS ACCOUNT		
33.	Capital and surplus prior reporting year	67,201,837	40,077,299
34.	Net income or (loss) from Line 32	2,543,445	3,342,174
35.	Change in valuation basis of aggregate policy and claim reserves		
36.	Change in net unrealized capital gains (losses) less capital gains tax of $		
37.	Change in net unrealized foreign exchange capital gain or (loss)		
38.	Change in net deferred income tax	1,546,239	(101,113)
39.	Change in nonadmitted assets	(3,910,952)	425,356
40	Change in unauthorized reinsurance	0	0
41.	Change in treasury stock	0	0
42.	Change in surplus notes	0	0
43.	Cumulative effect of changes in accounting principles		
44.	Capital Changes:		
	44.1 Paid in	0	0
	44.2 Transferred from surplus (Stock Dividend)	0	0
	44.3 Transferred to surplus		
45.	Surplus adjustments:		
	45.1 Paid in	0	25,000,000
	45.2 Transferred to capital (Stock Dividend)		
	45.3 Transferred from capital		
46.	Dividends to stockholders		
47.	Aggregate write-ins for gains or (losses) in surplus	0	(1,541,879)
48.	Net change in capital and surplus (Lines 34 to 47)	178,732	27,124,538
49.	Capital and surplus end of reporting period (Line 33 plus 48)	67,380,569	67,201,837
	DETAILS OF WRITE-INS		
4701.	2009 tax true up correction of error		(1,067,232)
4702.	2008 MBT true up correction of error		(474,647)
4703.			
4798.	Summary of remaining write-ins for Line 47 from overflow page	0	0
4799.	Totals (Lines 4701 thru 4703 plus 4798)(Line 47 above)	0	(1,541,879)

CASH FLOW

		1 Current Year	2 Prior Year
	Cash from Operations		
1.	Premiums collected net of reinsurance	891,977,540	800,266,308
2.	Net investment income	2,417,182	1,078,584
3.	Miscellaneous income	0	0
4.	Total (Lines 1 through 3)	894,394,722	801,344,893
5.	Benefit and loss related payments	733,312,322	647,956,345
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7.	Commissions, expenses paid and aggregate write-ins for deductions	140,727,208	130,062,184
8.	Dividends paid to policyholders		
9.	Federal and foreign income taxes paid (recovered) net of $ 105,786 tax on capital gains (losses)	(1,781,068)	(3,480,799)
10.	Total (Lines 5 through 9)	872,258,462	774,537,730
11.	Net cash from operations (Line 4 minus Line 10)	22,136,260	26,807,163
	Cash from Investments		
12.	Proceeds from investments sold, matured or repaid:		
	12.1 Bonds	28,075,614	5,588,543
	12.2 Stocks	0	0
	12.3 Mortgage loans	0	0
	12.4 Real estate	0	0
	12.5 Other invested assets	0	0
	12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	(675)	0
	12.7 Miscellaneous proceeds	0	1,340,066
	12.8 Total investment proceeds (Lines 12.1 to 12.7)	28,074,939	6,928,609
13.	Cost of investments acquired (long-term only):		
	13.1 Bonds	26,265,738	22,143,708
	13.2 Stocks	0	0
	13.3 Mortgage loans	0	0
	13.4 Real estate	0	0
	13.5 Other invested assets	0	0
	13.6 Miscellaneous applications	1,340,066	0
	13.7 Total investments acquired (Lines 13.1 to 13.6)	27,605,804	22,143,708
14.	Net increase (decrease) in contract loans and premium notes	0	0
15.	Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	469,135	(15,215,099)
	Cash from Financing and Miscellaneous Sources		
16.	Cash provided (applied):		
	16.1 Surplus notes, capital notes	0	0
	16.2 Capital and paid in surplus, less treasury stock	0	25,000,000
	16.3 Borrowed funds	0	0
	16.4 Net deposits on deposit-type contracts and other insurance liabilities	0	0
	16.5 Dividends to stockholders	0	0
	16.6 Other cash provided (applied)	(8,523,586)	4,512,237
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(8,523,586)	29,512,237
	RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18.	Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	14,081,809	41,104,301
19.	Cash, cash equivalents and short-term investments:		
	19.1 Beginning of year	109,209,018	68,104,717
	19.2 End of year (Line 18 plus Line 19.1)	123,290,827	109,209,018

Note: Supplemental disclosures of cash flow information for non-cash transactions:

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE UnitedHealthcare Community Plan, Inc.

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1 Total	2 Comprehensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefit Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other Health	10 Other Non-Health
1. Net premium income	890,754,832	706,130					33,853,769	856,194,933		
2. Change in unearned premium reserves and reserve for rate credit	(108,400)	0					(108,400)	0		
3. Fee-for-service (net of $ .... medical expenses)	0	0					0	0		XXX
4. Risk revenue	0	0					0	0		XXX
5. Aggregate write-ins for other health care related revenues	0	0	0	0	0	0	0	0	0	XXX
6. Aggregate write-ins for other non-health care related revenues	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
7. Total revenues (Lines 1 to 6)	890,646,432	706,130	0	0	0	0	33,745,369	856,194,933	0	0
8. Hospital/medical benefits	609,270,466	270,688					22,555,484	586,444,294		XXX
9. Other professional services	12,392,239	259,059					722,802	11,410,378		XXX
10. Outside referrals	0	0					0	0		XXX
11. Emergency room and out-of-area	32,899,747	14,617					1,217,964	31,667,166		XXX
12. Prescription drugs	85,160,287	105,080					2,361,261	82,693,946		XXX
13. Aggregate write-ins for other hospital and medical	0	0	0	0	0	0	0	0	0	XXX
14. Incentive pool, withhold adjustments and bonus amounts	4,771,814	0					(550)	4,772,364		XXX
15. Subtotal (Lines 8 to 14)	744,494,553	649,444	0	0	0	0	26,856,961	716,988,148	0	XXX
16. Net reinsurance recoveries	1,859,793	5,468					0	1,854,325		XXX
17. Total medical and hospital (Lines 15 minus 16)	742,634,760	643,976	0	0	0	0	26,856,961	715,133,823	0	XXX
18. Non-health claims (net)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
19. Claims adjustment expenses including $ 8,853,295 cost containment expenses	15,793,021	7,393					706,942	15,078,686		
20. General administrative expenses	130,114,068	60,909					5,824,287	124,228,872		
21. Increase in reserves for accident and health contracts	0									XXX
22. Increase in reserves for life contracts	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
23. Total underwriting deductions (Lines 17 to 22)	888,541,849	712,278	0	0	0	0	33,388,190	854,441,381	0	0
24. Total underwriting gain or (loss) (Line 7 minus Line 23)	2,104,583	(6,148)	0	0	0	0	357,179	1,753,552	0	0
DETAILS OF WRITE-INS										
0501.										XXX
0502.										XXX
0503.										XXX
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0	0	0	0	0	0	0	XXX
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)	0	0	0	0	0	0	0	0	0	XXX
0601.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0602.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0603.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0698. Summary of remaining write-ins for Line 6 from overflow page	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
1301.										XXX
1302.										XXX
1303.										XXX
1398. Summary of remaining write-ins for Line 13 from overflow page	0	0	0	0	0	0	0	0	0	XXX
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above)	0	0	0	0	0	0	0	0	0	XXX

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS

Line of Business	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Ceded	4 Net Premium Income (Cols. 1 + 2 - 3)
1. Comprehensive (hospital and medical)	712,073		5,943	706,130
2. Medicare Supplement				0
3. Dental only				0
4. Vision only				0
5. Federal Employees Health Benefits Plan	0			0
6. Title XVIII - Medicare	33,853,769			33,853,769
7. Title XIX - Medicaid	858,083,508		1,888,575	856,194,933
8. Other health				0
9. Health subtotal (Lines 1 through 8)	892,649,350	0	1,894,518	890,754,832
10. Life	0			0
11. Property/casualty	0			0
12. Totals (Lines 9 to 11)	892,649,350	0	1,894,518	890,754,832

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - CLAIMS INCURRED DURING THE YEAR

	1 Total	2 Comprehensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other Health	10 Other Non-Health
1. Payments during the year:										
1.1 Direct	727,247,246	590,956					23,925,404	702,730,886		
1.2 Reinsurance assumed	0									
1.3 Reinsurance ceded	985,777	0					0	985,777		
1.4 Net	726,261,469	590,956	0	0	0	0	23,925,404	701,745,109	0	0
2. Paid medical incentive pools and bonuses	4,584,066	0					(550)	4,584,616		
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	95,160,448	50,495	0	0	0	0	5,546,958	89,562,995	0	0
3.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
3.3 Reinsurance ceded	1,226,313	5,468	0	0	0	0	0	1,220,845	0	0
3.4 Net	93,934,135	45,027	0	0	0	0	5,546,958	88,342,150	0	0
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct	0									
4.2 Reinsurance assumed	0									
4.3 Reinsurance ceded	0									
4.4 Net	0	0	0	0	0	0	0	0	0	0
5. Accrued medical incentive pools and bonuses, current year	1,383,572							1,383,572		
6. Net healthcare receivables (a)	4,321,339	6,624					702,881	3,611,834		
7. Amounts recoverable from reinsurers December 31, current year	78,900							78,900		
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	78,363,616	0	0	0	0	0	3,129,934	75,233,682	0	0
8.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
8.3 Reinsurance ceded	431,197	0	0	0	0	0	0	431,197	0	0
8.4 Net	77,932,419	0	0	0	0	0	3,129,934	74,802,485	0	0
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct	0									
9.2 Reinsurance assumed	0									
9.3 Reinsurance ceded	0									
9.4 Net	0	0	0	0	0	0	0	0	0	0
10. Accrued medical incentive pools and bonuses, prior year	1,195,824							1,195,824		
11. Amounts recoverable from reinsurers December 31, prior year	0									
12. Incurred Benefits:										
12.1 Direct	739,722,739	634,827	0	0	0	0	25,639,547	713,448,365	0	0
12.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
12.3 Reinsurance ceded	1,859,793	5,468	0	0	0	0	0	1,854,325	0	0
12.4 Net	737,862,946	629,359	0	0	0	0	25,639,547	711,594,040	0	0
13. Incurred medical incentive pools and bonuses	4,771,814	0	0	0	0	0	(550)	4,772,364	0	0

(a) Excludes $ .... loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1 Total	2 Comprehensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other Health	10 Other Non-Health
1. Reported in Process of Adjustment:										
1.1 Direct	30,730,145						86,170	30,643,975		
1.2 Reinsurance assumed	0									
1.3 Reinsurance ceded	417,712							417,712		
1.4 Net	30,312,433	0	0	0	0	0	86,170	30,226,263	0	0
2. Incurred but Unreported:										
2.1 Direct	64,430,303	50,495					5,460,788	58,919,020		
2.2 Reinsurance assumed	0									
2.3 Reinsurance ceded	808,601	5,468						803,133		
2.4 Net	63,621,702	45,027	0	0	0	0	5,460,788	58,115,887	0	0
3. Amounts Withheld from Paid Claims and Capitations:										
3.1 Direct	0									
3.2 Reinsurance assumed	0									
3.3 Reinsurance ceded	0									
3.4 Net	0	0	0	0	0	0	0	0	0	0
4. TOTALS:										
4.1 Direct	95,160,448	50,495	0	0	0	0	5,546,958	89,562,995	0	0
4.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
4.3 Reinsurance ceded	1,226,313	5,468	0	0	0	0	0	1,220,845	0	0
4.4 Net	93,934,135	45,027	0	0	0	0	5,546,958	88,342,150	0	0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2B - ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5	6
	1	2	3	4		
Line of Business	On Claims Incurred Prior to January 1 of Current Year	On Claims Incurred During the Year	On Claims Unpaid December 31 of Prior Year	On Claims Incurred During the Year	Claims Incurred In Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
1. Comprehensive (hospital and medical)		590,956		45,027	0	0
2. Medicare Supplement					0	0
3. Dental Only					0	0
4. Vision Only					0	0
5. Federal Employees Health Benefits Plan					0	0
6. Title XVIII - Medicare	2,802,641	21,122,763	16,027	5,530,931	2,818,668	3,129,934
7 Title XIX - Medicaid	66,401,690	635,264,521	2,188,942	86,153,208	68,590,632	74,802,485
8. Other health					0	0
9. Health subtotal (Lines 1 to 8)	69,204,331	656,978,240	2,204,969	91,729,166	71,409,300	77,932,419
10. Healthcare receivables (a)	2,334,507	7,071,050			2,334,507	5,084,216
11. Other non-health					0	0
12. Medical incentive pools and bonus amounts	1,413,954	3,170,112		1,383,572	1,413,954	1,195,824
13. Totals (Lines 9 - 10 + 11 + 12)	68,283,778	653,077,302	2,204,969	93,112,738	70,488,747	74,044,027

(a) Excludes $ 0 loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(000 Omitted)

Section A - Paid Health Claims - Comprehensive (Hospital & Medical)

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2007	2 2008	3 2009	4 2010	5 2011
1. Prior	0	0	0	0	0
2. 2007	0	0	0	0	0
3. 2008	XXX	0	0	0	0
4. 2009	XXX	XXX	0	0	0
5. 2010	XXX	XXX	XXX	0	0
6. 2011	XXX	XXX	XXX	XXX	591

Section B - Incurred Health Claims - Comprehensive (Hospital & Medical)

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2007	2 2008	3 2009	4 2010	5 2011
1. Prior	0	0	0	0	0
2. 2007	0	0	0	0	0
3. 2008	XXX	0	0	0	0
4. 2009	XXX	XXX	0	0	0
5. 2010	XXX	XXX	XXX	0	0
6. 2011	XXX	XXX	XXX	XXX	636

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Comprehensive (Hospital & Medical)

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2007	0	0	0	0.0	0	0.0	0	0	0	0.0
2. 2008	0	0	0	0.0	0	0.0	0	0	0	0.0
3. 2009	0	0	0	0.0	0	0.0	0	0	0	0.0
4. 2010	0	0	0	0.0	0	0.0	0	0	0	0.0
5. 2011	712	591	0	0.0	591	83.0	45	1	637	89.5

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
(000 Omitted)

Section A - Paid Health Claims - Title XVIII

	Cumulative Net Amounts Paid				
Year in Which Losses Were Incurred	1 2007	2 2008	3 2009	4 2010	5 2011
1. Prior	0	0	0	0	0
2. 2007	0	0	0	0	0
3. 2008	XXX	834	1,252	1,292	1,292
4. 2009	XXX	XXX	2,973	4,092	4,092
5. 2010	XXX	XXX	XXX	8,732	11,535
6. 2011	XXX	XXX	XXX	XXX	21,122

Section B - Incurred Health Claims - Title XVIII

	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
Year in Which Losses Were Incurred	1 2007	2 2008	3 2009	4 2010	5 2011
1. Prior	0	0	0	0	0
2. 2007	0	0	0	0	0
3. 2008	XXX	1,029	1,447	1,292	1,292
4. 2009	XXX	XXX	2,973	4,092	4,092
5. 2010	XXX	XXX	XXX	11,862	11,551
6. 2011	XXX	XXX	XXX	XXX	26,653

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Title XVIII

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2007	0	0	0	0.0	0	0.0	0	0	0	0.0
2. 2008	0	1,292	0	0.0	1,292	0.0	0	0	1,292	0.0
3. 2009	6,440	4,092	0	0.0	4,092	63.5	0	0	4,092	63.5
4. 2010	17,487	11,535	177	1.5	11,712	67.0	16	0	11,728	67.1
5. 2011	33,745	21,122	17	0.1	21,139	62.6	5,531	99	26,769	79.3

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(000 Omitted)

Section A - Paid Health Claims - Title XIX

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid 1 2007	2 2008	3 2009	4 2010	5 2011
1. Prior	239,704	239,704	239,704	239,704	239,704
2. 2007	270,129	270,129	270,129	270,129	270,129
3. 2008	XXX	421,583	447,694	447,664	447,664
4. 2009	XXX	XXX	277,989	316,003	316,003
5. 2010	XXX	XXX	XXX	318,129	385,945
6. 2011	XXX	XXX	XXX	XXX	638,514

Section B - Incurred Health Claims - Title XIX

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year 1 2007	2 2008	3 2009	4 2010	5 2011
1. Prior	239,704	239,704	239,704	239,704	239,704
2. 2007	270,129	294,562	270,129	270,129	270,129
3. 2008	XXX	464,560	447,694	447,664	447,664
4. 2009	XXX	XXX	320,875	316,003	316,003
5. 2010	XXX	XXX	XXX	396,077	388,134
6. 2011	XXX	XXX	XXX	XXX	726,051

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Title XIX

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2007	0	270,129	0	0.0	270,129	0.0	0	0	270,129	0.0
2. 2008	0	447,664	0	0.0	447,664	0.0	0	0	447,664	0.0
3. 2009	673,119	316,003	0	0.0	316,003	46.9	0	0	316,003	46.9
4. 2010	782,756	385,945	25,864	6.7	411,809	52.6	2,189	0	413,998	52.9
5. 2011	858,084	638,514	15,441	2.4	653,955	76.2	87,537	1,171	742,663	86.5

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(000 Omitted)

Section A - Paid Health Claims - Grand Total

	Year in Which Losses Were Incurred	Cumulative Net Amounts Paid 1 2007	2 2008	3 2009	4 2010	5 2011
1.	Prior	239,704	239,704	239,704	239,704	239,704
2.	2007	270,129	270,129	270,129	270,129	270,129
3.	2008	XXX	422,417	448,946	448,956	448,956
4.	2009	XXX	XXX	280,962	320,095	320,095
5.	2010	XXX	XXX	XXX	326,861	397,480
6.	2011	XXX	XXX	XXX	XXX	660,227

Section B - Incurred Health Claims - Grand Total

	Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year 1 2007	2 2008	3 2009	4 2010	5 2011
1.	Prior	239,704	239,704	239,704	239,704	239,704
2.	2007	270,129	294,562	270,129	270,129	270,129
3.	2008	XXX	465,589	449,141	448,956	448,956
4.	2009	XXX	XXX	323,848	320,095	320,095
5.	2010	XXX	XXX	XXX	407,939	399,685
6.	2011	XXX	XXX	XXX	XXX	753,340

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Grand Total

	Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1.	2007	0	270,129	0	0.0	270,129	0.0	0	0	270,129	0.0
2.	2008	0	448,956	0	0.0	448,956	0.0	0	0	448,956	0.0
3.	2009	679,559	320,095	0	0.0	320,095	47.1	0	0	320,095	47.1
4.	2010	800,243	397,480	26,041	6.6	423,521	52.9	2,205	0	425,726	53.2
5.	2011	892,541	660,227	15,458	2.3	675,685	75.7	93,113	1,271	770,069	86.3

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2D - AGGREGATE RESERVE FOR ACCIDENT AND HEALTH CONTRACTS ONLY

	1 Total	2 Comprehensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefit Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other
1. Unearned premium reserves	0								
2. Additional policy reserves (a)	0								
3. Reserve for future contingent benefits	0								
4. Reserve for rate credits or experience rating refunds (including $) for investment income	238,095	0					238,095		
5. Aggregate write-ins for other policy reserves	0	0	0	0	0	0	0	0	0
6. Totals (gross)	238,095	0	0	0	0	0	238,095	0	0
7. Reinsurance ceded	0								
8. Totals (Net)(Page 3, Line 4)	238,095	0	0	0	0	0	238,095	0	0
9. Present value of amounts not yet due on claims	0								
10. Reserve for future contingent benefits	0								
11. Aggregate write-ins for other claim reserves	0	0	0	0	0	0	0	0	0
12. Totals (gross)	0	0	0	0	0	0	0	0	0
13. Reinsurance ceded	0								
14. Totals (Net)(Page 3, Line 7)	0	0	0	0	0	0	0	0	0
DETAILS OF WRITE-INS									
0501.									
0502.									
0503.									
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0	0	0	0	0	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)	0	0	0	0	0	0	0	0	0
1101.									
1102.									
1103.									
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0	0	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above)	0	0	0	0	0	0	0	0	0

(a) Includes $ premium deficiency reserve.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - ANALYSIS OF EXPENSES

	Claim Adjustment Expenses		3	4	5
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses	General Administrative Expenses	Investment Expenses	Total
1. Rent ($ 0 for occupancy of own building)	267,419	209,619	2,120,455	0	2,597,493
2. Salary, wages and other benefits	4,982,239	3,905,368	39,505,795	0	48,393,403
3. Commissions (less $ 0 ceded plus $ 0 assumed)	0	0	609,321	0	609,321
4. Legal fees and expenses	80,984	63,480	642,145	0	786,609
5. Certifications and accreditation fees	0	0	0	0	0
6. Auditing, actuarial and other consulting services	533,902	418,504	4,401,919	0	5,354,325
7. Traveling expenses	178,695	140,071	1,416,927	0	1,735,693
8. Marketing and advertising	422,686	331,326	3,351,613	0	4,105,625
9. Postage, express and telephone	380,552	298,299	3,017,521	0	3,696,371
10. Printing and office supplies	122,714	96,190	1,020,571	0	1,239,475
11. Occupancy, depreciation and amortization	72,400	56,751	574,080	0	703,230
12. Equipment	16,039	12,572	127,176	0	155,786
13. Cost or depreciation of EDP equipment and software	715,547	560,887	5,673,804	0	6,950,238
14. Outsourced services including EDP, claims, and other services	642,140	503,346	3,459,266	0	4,604,752
15. Boards, bureaus and association fees	12,532	9,823	99,369	0	121,724
16. Insurance, except on real estate	159,020	124,649	1,922,289	0	2,205,959
17. Collection and bank service charges	42,440	33,267	336,522	0	412,229
18. Group service and administration fees	20,598	16,146	163,330	0	200,074
19. Reimbursements by uninsured plans	0	0	0	0	0
20. Reimbursements from fiscal intermediaries	0	0	0	0	0
21. Real estate expenses	0	0	0	0	0
22. Real estate taxes	15,223	11,932	153,503	0	180,658
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes	0	0	8,960,611	0	8,960,611
23.2 State premium taxes	0	0	0	0	0
23.3 Regulatory authority licenses and fees	0	0	50,462,675	0	50,462,675
23.4 Payroll taxes	0	0	598,152	0	598,152
23.5 Other (excluding federal income and real estate taxes)	28,921	22,670	229,324	0	280,915
24. Investment expenses not included elsewhere	0	0	0	70,437	70,437
25. Aggregate write-ins for expenses	159,245	124,825	1,267,701	0	1,551,771
26. Total expenses incurred (Lines 1 to 25)	8,853,295	6,939,726	130,114,068	70,437	(a) 145,977,527
27. Less expenses unpaid December 31, current year	712,359	558,388	5,210,303	828,285	7,309,335
28. Add expenses unpaid December 31, prior year	838,622	96,639	249,897	28,826	1,213,984
29. Amounts receivable relating to uninsured plans, prior year			1,075,346		1,075,346
30. Amounts receivable relating to uninsured plans, current year			1,192,513		1,192,513
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	8,979,558	6,477,977	125,270,829	(729,022)	139,999,343
DETAILS OF WRITE-INS					
2501. Information Technology	34,158	26,775	270,852	0	331,785
2502. Interest	98,745	77,402	782,985	0	959,133
2503. Miscellaneous Losses	4,262	3,341	33,798	0	41,402
2598. Summary of remaining write-ins for Line 25 from overflow page	22,078	17,306	180,067	0	219,452
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	159,245	124,825	1,267,701	0	1,551,771

(a) Includes management fees of $ 81,352,073 to affiliates and $ to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

		1 Collected During Year	2 Earned During Year
1.	U.S. government bonds	(a) 160,748	136,996
1.1	Bonds exempt from U.S. tax	(a)	
1.2	Other bonds (unaffiliated)	(a) 963,212	972,700
1.3	Bonds of affiliates	(a)	
2.1	Preferred stocks (unaffiliated)	(b)	
2.11	Preferred stocks of affiliates	(b)	
2.2	Common stocks (unaffiliated)		
2.21	Common stocks of affiliates		
3.	Mortgage loans	(c)	
4.	Real estate	(d)	
5	Contract Loans		
6	Cash, cash equivalents and short-term investments	(e) 151,066	307,274
7	Derivative instruments	(f)	
8.	Other invested assets		
9.	Aggregate write-ins for investment income	0	0
10.	Total gross investment income	1,275,026	1,416,970
11.	Investment expenses		(g) 70,437
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g) 0
13.	Interest expense		(h)
14.	Depreciation on real estate and other invested assets		(i)
15.	Aggregate write-ins for deductions from investment income		0
16.	Total deductions (Lines 11 through 15)		70,437
17.	Net investment income (Line 10 minus Line 16)		1,346,533
	DETAILS OF WRITE-INS		
0901.			
0902.			
0903.			
0998.	Summary of remaining write-ins for Line 9 from overflow page	0	0
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)	0	0
1501.			
1502.			
1503.			
1598.	Summary of remaining write-ins for Line 15 from overflow page		0
1599.	Totals (Lines 1501 thru 1503 plus 1598) (Line 15, above)		0

(a) Includes $ 47,178 accrual of discount less $ 480,424 amortization of premium and less $ 47,637 paid for accrued interest on purchases.

(b) Includes $ .... accrual of discount less $ .... amortization of premium and less $ .... paid for accrued dividends on purchases.

(c) Includes $ .... accrual of discount less $ .... amortization of premium and less $ .... paid for accrued interest on purchases.

(d) Includes $ .... for company's occupancy of its own buildings; and excludes $ .... interest on encumbrances.

(e) Includes $ 17,835 accrual of discount less $ 985,775 amortization of premium and less $ 143,288 paid for accrued interest on purchases.

(f) Includes $ .... accrual of discount less $ .... amortization of premium.

(g) Includes $. .... investment expenses and $ .... investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.

(h) Includes $ .... interest on surplus notes and $ .... interest on capital notes.

(i) Includes $ .... depreciation on real estate and $ .... depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1 Realized Gain (Loss) On Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. Government bonds	84,200	0	84,200	0	0
1.1	Bonds exempt from U.S. tax			0		
1.2	Other bonds (unaffiliated)	186,111	0	186,111	0	0
1.3	Bonds of affiliates	0	0	0	0	0
2.1	Preferred stocks (unaffiliated)	0	0	0	0	0
2.11	Preferred stocks of affiliates	0	0	0	0	0
2.2	Common stocks (unaffiliated)	0	0	0	0	0
2.21	Common stocks of affiliates	0	0	0	0	0
3.	Mortgage loans		0	0	0	0
4.	Real estate		0	0		0
5.	Contract loans			0		
6.	Cash, cash equivalents and short-term investments	(677)		(677)		
7.	Derivative instruments			0		
8.	Other invested assets		0	0	0	0
9.	Aggregate write-ins for capital gains (losses)	0	0	0	0	0
10.	Total capital gains (losses)	269,634	0	269,634	0	0
	DETAILS OF WRITE-INS					
0901.						
0902.						
0903.						
0998.	Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0	0
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)	0	0	0	0	0

EXHIBIT OF NON-ADMITTED ASSETS

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)			0
2. Stocks (Schedule D):			
2.1 Preferred stocks			0
2.2 Common stocks			0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens			0
3.2 Other than first liens			0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company			0
4.2 Properties held for the production of income			0
4.3 Properties held for sale			0
5. Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2) and short-term investments (Schedule DA)			0
6. Contract loans			0
7. Derivatives (Schedule DB)			0
8. Other invested assets (Schedule BA)			0
9. Receivables for securities			0
10. Securities lending reinvested collateral assets (Schedule DL)			0
11. Aggregate write-ins for invested assets	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	0	0	0
13. Title plants (for Title insurers only)			0
14. Investment income due and accrued			0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection			0
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due			0
15.3 Accrued retrospective premiums			0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers			0
16.2 Funds held by or deposited with reinsured companies			0
16.3 Other amounts receivable under reinsurance contracts			0
17. Amounts receivable relating to uninsured plans			0
18.1 Current federal and foreign income tax recoverable and interest thereon			0
18.2 Net deferred tax asset		0	0
19. Guaranty funds receivable or on deposit			0
20. Electronic data processing equipment and software			0
21. Furniture and equipment, including health care delivery assets			0
22. Net adjustment in assets and liabilities due to foreign exchange rates			0
23. Receivable from parent, subsidiaries and affiliates			0
24. Health care and other amounts receivable	3,938,877	27,925	(3,910,952)
25. Aggregate write-ins for other than invested assets	0	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	3,938,877	27,925	(3,910,952)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0
28. Total (Lines 26 and 27)	3,938,877	27,925	(3,910,952)
DETAILS OF WRITE-INS			
1101.			
1102.			
1103.			
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)	0	0	0
2501.			
2502.			
2503.			
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	0	0	0

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

	Source of Enrollment	Total Members at End of 1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	6 Current Year Member Months
1.	Health Maintenance Organizations	236,177	239,988	240,826	243,111	246,475	2,918,785
2.	Provider Service Organizations						
3.	Preferred Provider Organizations						
4.	Point of Service						
5.	Indemnity Only						
6.	Aggregate write-ins for other lines of business	0	0	0	0	0	0
7.	Total	236,177	239,988	240,826	243,111	246,475	2,918,785
	DETAILS OF WRITE-INS						
0601.							
0602.							
0603.							
0698.	Summary of remaining write-ins for Line 6 from overflow page	0	0	0	0	0	0
0699.	Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	0	0	0	0	0	0

UNITEDHEALTHCARE COMMUNITY PLAN, INC.

NOTES TO STATUTORY BASIS FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010
(in thousands, except common capital stock share data)

1. SIGNIFICANT ACCOUNTING POLICIES

Organization and Operation — UnitedHealthcare Community Plan, Inc. (the "Company"), licensed as a health maintenance organization (HMO), offers its enrollees a variety of managed care programs and products through contractual arrangements with health care providers. The Company is a wholly owned subsidiary of AmeriChoice Corporation ("AmeriChoice"). AmeriChoice is a wholly owned subsidiary of UnitedHealth Group Incorporated ("UnitedHealth Group"). UnitedHealth Group is a publicly held company trading on the New York Stock Exchange. United HealthCare Services, Inc. (UHS), an affiliate of the Company and a wholly owned subsidiary of UnitedHealth Group, is an HMO management corporation that provides services to the Company under the terms of a management agreement.

The Company was incorporated on January 11, 1994, as a HMO and operations commenced on October 11, 1994. The Company is certified as a HMO by the Office of Financial and Insurance Regulation of the State of Michigan (OFIR). The Company has entered into contracts with physicians, hospitals, and other health care provider organizations to deliver health care services for all enrollees.

The Company serves as a plan sponsor offering Medicare Advantage and Medicare Part D prescription drug insurance coverage (Medicare Part D program) under a contract with the Centers for Medicare and Medicaid Services (CMS). Under the Medicare Part D program, there are seven separate elements of payment received by the Company during the plan year; these payment elements are CMS premium, member premium, CMS low-income premium subsidy, CMS catastrophic reinsurance subsidy, CMS low-income member cost-sharing subsidy, CMS risk share and, effective January 1, 2011, the CMS coverage gap discount program.

The Company has a contract with the State of Michigan, Department of Community Health, to provide health care services to Medicaid and dual-eligible Medicare beneficiaries in Michigan. The current contract is effective through September 30, 2012.

The Company has a contract with the State of Michigan Department of Community Health to provide health care services to MIChild eligible beneficiaries. MIChild is a health coverage and dental program for low-income or uninsured children in Michigan. The current contract is effect through September 30, 2012, and is subject to renewal provisions as outlined in the contract.

Basis of Presentation — The Company prepares its statutory financial statements on the basis of accounting practices prescribed or permitted by OFIR. These statutory practices differ from accounting principles generally accepted in the United States of America (GAAP).

The more significant differences are as follows:

- Cash, cash equivalents, and short-term investments in the statutory basis financial statements represent cash balances and investments with original maturities of one year or less from the time of acquisition, whereas under GAAP, the corresponding caption of cash, cash equivalents, and short-term investments includes cash balances and investments that will mature in one year or less from the balance sheet date;

- Outstanding checks are required to be netted against cash balances or presented as cash overdrafts if in excess of cash balances in the statutory basis statements of admitted assets, liabilities, and capital and surplus as opposed to being presented as other liabilities under GAAP;

- Certain debt investments categorized as held to maturity under GAAP are shown at amortized cost, whereas in the statutory basis financial statements, these investments are presented at either the lower of amortized cost or fair value in accordance with the National Association of Insurance Commissioners' (NAIC) designations;

- Certain health care receivables are considered nonadmitted assets for statutory purposes and are excluded from the statutory basis statements of admitted assets, liabilities, and capital and surplus;

- Under statutory accounting, the change to deferred tax assets and liabilities is recorded directly to unassigned surplus and deferred tax assets are subject to limitations regarding the realization and admissibility of the assets in the statutory basis financial statements, whereas under GAAP, the change in deferred tax assets and liabilities is recorded as a component of the income tax provision within the income statement and is based on the ultimate recoverability of the deferred tax assets. Based on the admissibility criteria under statutory accounting, any deferred tax assets determined to be nonadmitted are charged directly to surplus and excluded from the statutory basis financial statements, whereas under GAAP, such assets are included in the balance sheets;

- Assets not specifically identified as an admitted asset by the NAIC are designated as nonadmitted under statutory accounting. Nonadmitted assets are excluded from the statutory basis financial statements and are charged directly to unassigned surplus. Under GAAP, such assets are included in the balance sheet;

- The reserves ceded to reinsurers for claims unpaid and aggregate health claim reserves have been reported as reductions of the related reserves rather than as assets, which would be required under GAAP;

- Comprehensive income and its components are not presented in the statutory basis financial statements;

- Cash, cash equivalents, and short-term investments in the statutory basis statements of cash flows represent cash balances and investments with original maturities of one year or less from the time of acquisition. Under GAAP, the corresponding caption of cash and cash equivalents includes cash balances and cash equivalents with maturities of three months or less. The statutory basis statements of cash flows are prepared in accordance with the NAIC Annual Statement Instructions.

The OFIR recognizes only statutory accounting practices prescribed or permitted by the State of Michigan for determining and reporting the financial condition and results of operations of an HMO and for determining its solvency under Michigan insurance law. The NAIC *Accounting Practices and Procedures Manual* (NAIC SAP) has been adopted with modifications as a component of prescribed or permitted practices by the State of Michigan. The State of Michigan requires that maternity care receivables are reported as health care and other receivables, and that intercompany transactions be reclassified from amounts due to parent, subsidiaries and affiliates to claims unpaid or general expenses due and accrued depending upon the type of transaction.

These changes do not materially affect the statutory basis net income, capital and surplus, and total admitted assets, as illustrated in the table below:

	2011	**2010**
Net income — Michigan basis	$ 2,543	$ 3,342
Net income — NAIC SAP	$ 2,543	$ 3,342
Capital and surplus — Michigan basis	$ 67,381	$ 67,202
Capital and surplus — NAIC SAP	$ 67,381	$ 67,202
Total admitted assets — Michigan basis	$ 174,316	$ 159,635
Total admitted assets — NAIC SAP	$ 174,316	$ 159,635

Use of Estimates — The preparation of these statutory basis financial statements in conformity with the NAIC Annual Statement Instructions and the NAIC SAP include certain amounts that are based on the Company's estimates and judgments. These estimates require the Company to apply complex assumptions and judgments, often because the Company must make estimates about the effects of matters that are inherently uncertain and will change in subsequent periods. The most significant estimates relate to hospital and medical benefits, claims unpaid and aggregate health policy reserves (known as "aggregate health reserves"). The Company adjusts these estimates each period as more current information becomes available. The impact of any changes in estimates is included in the determination of net income in the period in which the estimate is adjusted.

Cash and Invested Assets:

- Cash and cash equivalents represent cash held by the Company in disbursement accounts. Claims and other payments are made from the disbursement accounts daily. Cash overdrafts are a result of timing differences in funding disbursement accounts for claims payments. Cash equivalents have original maturity dates of three months or less from the date of acquisition and are reported at cost or amortized cost depending on the nature of the underlying security, which approximates fair value.

- Short-term investments represent money market instruments, commercial paper and corporate bonds with a maturity of greater than three months but less than one year at the time of purchase.

- Bonds include corporate bonds, government and state and state agency obligations and municipal securities with a maturity of greater than one year at the time of purchase.

- Bonds and short-term investments are stated at amortized cost if they meet NAIC designation of one or two and stated at the lower of amortized cost or fair value if they meet an NAIC designation of three or higher. Amortization of bond premium or discount is calculated using the constant-yield interest method. Bonds and short-term investments are valued and reported using market prices published by the SVO in accordance with the NAIC Valuations of Securities manual prepared by the SVO or an external pricing service.

- Corporate bonds and government obligations include mortgage-backed securities, which are valued using the retrospective adjustment methodology. Prepayment assumptions for the determination of the amortized cost of mortgage-backed securities are based on a three-month constant prepayment rate history obtained from external data source vendors. The Company's investment policy limits investments in non-agency residential mortgage-backed securities, including home equity and sub-prime mortgages, to 10% of total cash and invested assets and total investments in mortgage-backed securities to 30% of total cash and invested assets.

Realized capital gains and losses on sales of investments are calculated based upon specific identification of the investments sold. These gains and losses are reported as net realized capital gains less capital gains tax in the statutory basis statements of operations.

The Company continually monitors the difference between amortized cost and estimated fair value of its investments. If any of the Company's investments experience a decline in value that the Company has determined is other-than-temporary, the Company records a realized loss in net realized capital gains less capital gains tax in the statutory basis statements of operations as the Company has made the determination to sell the security. The new cost basis is not changed for subsequent recoveries in fair value. The prospective adjustment method is utilized for mortgage-backed securities for periods subsequent to the loss recognition. The Company recognized an other-than-temporary impairment of $0 and $3 for the years ended December 31, 2011 and 2010, respectively.

Investment Income Due and Accrued — Investment income earned and due as of the reporting date in addition to investment income earned but not paid or collected until subsequent periods are reported as investment income due and accrued in the statutory basis statements of admitted assets, liabilities, and capital and surplus. The Company evaluates the collectability of the amounts due and amounts determined to be uncollectible are written off in the period in which the determination is made.

Net Investment Income Earned — Net investment income earned includes investment income collected during the period, as well as the change in investment income due and accrued on the Company's holdings. Amortization of premium or discount on bonds and certain external investment management costs are also included in net investment income earned (see Note 7).

Amounts Due to Parent, Subsidiaries, and Affiliates — In the normal course of business, the Company has various transactions with related parties (see Note 10). The Company reports any unsettled amounts due or owed as receivables from parent, subsidiaries, and affiliates and amounts due to parent, subsidiaries, and affiliates, respectively, in the statutory basis statements of admitted assets, liabilities, and capital and surplus. The Company has excluded receivables that do not meet the admissibility criteria from the statutory basis statements of admitted assets, liabilities, and capital and surplus. During 2011, the Company reclassified certain balances based on guidance received from the State of Michigan.

Hospital and Medical Expenses, Claims Unpaid, and Aggregate Health Reserves — Hospital and medical expenses and corresponding liabilities include claims paid, claims processed but not yet paid, estimates for claims received but not yet processed, estimates for the costs of health care services enrollees have received but for which claims have not yet been submitted, and for liabilities for physician, hospital, and other medical costs disputes.

The estimates for incurred but not yet reported claims are developed using an actuarial process that is consistently applied, centrally controlled and automated. The actuarial models consider factors such as historical submission and payment data, cost trends, customer and product mix, seasonality, utilization of health care services, contracted service rates, and other relevant factors. The Company estimates liabilities for physician, hospital and other medical cost disputes based upon an analysis of potential outcomes, assuming a combination of litigation and settlement strategies. The estimates may change as actuarial methods change or as underlying facts upon which estimates are based change. The Company did not change actuarial methods during 2011 and 2010. Management believes the amount of claims unpaid and aggregate health reserves is adequate to cover the Company's liability for unpaid claims and aggregate health reserves as of December 31, 2011; however, actual payments may differ from those established estimates. Adjustments to claims unpaid estimates and aggregate health reserves are reflected in operating results in the period in which the change in estimate is identified.

The Company contracts with hospitals, physicians, and other providers of health care under capitated or discounted fee for service arrangements, including a hospital per diem to provide medical care services to enrollees. Some of these contracts are with related parties (see Note 10). Capitated providers are at risk for the cost of medical care services provided to the Company's enrollees; however, the Company is ultimately responsible for the provision of services to its enrollees should the capitated provider be unable to provide the contracted services.

Amounts Receivable Relating to Uninsured Plans and Liability for Amounts Held Under Uninsured Plans — Receivables for amounts held under uninsured plans represent the cost reimbursement under the Medicare Part D program for the catastrophic reinsurance subsidy and the low-income member cost-sharing subsidy. The Company is fully reimbursed by CMS for costs incurred for these contract elements and, accordingly, there is no insurance risk to the Company. Amounts received for these subsidies are received monthly and are not reflected as net premium income, but rather are accounted for as deposits. Beginning in 2011, the Patient Protection and Affordable Care Act and its related reconciliation act (Health Reform Legislation) mandates consumer discounts of 50% on brand name prescription drugs for Part D plan participants in the coverage gap (Coverage Gap Discount Program or CGDP). These discounts are pre-funded by CMS, and ultimately reimbursed by pharmaceutical manufacturers, and the Company solely administers the application of these funds and has no insurance risk. If the Company incurs costs either in excess of or less than these subsidies, a corresponding receivable or payable is recorded in amounts receivable relating to uninsured plans or liability for amounts held under uninsured plans in the statutory basis statements of admitted assets, liabilities, and capital and surplus. Related cash flows are presented within operating expenses paid within cash provided by operations in the statutory basis statements of cash flows.

Net Deferred Tax Asset and Federal Income Taxes Incurred — Statutory accounting requires an amount to be recorded for deferred taxes on temporary differences between the financial reporting and tax bases of assets and liabilities, subject to a valuation allowance and admissibility limitations on deferred tax assets (see Note 9). The provision for federal income taxes incurred is calculated based on applying the statutory federal income tax rate of 35% to net income before federal income taxes plus capital gains tax subject to certain adjustments (see Note 9).

Claims Adjustment Expenses — Claims adjustment expenses (CAE) are those costs expected to be incurred in connection with the adjustment and recording of accident and health claims. Pursuant to the terms of the management agreement (see Note 10), the Company pays a management fee to UHS in exchange for administrative and management services. A detailed review of UHS' and the Company's administrative expenses is performed to determine the allocation between CAE and general administrative expenses. It is the responsibility of UHS to pay CAE in the event the Company ceases operations. The Company has recorded an estimate of unpaid claims adjustment expenses associated with incurred but unpaid claims, which is included in unpaid claims adjustment expense in the statutory basis statements of admitted assets, liabilities, and capital and surplus. Management believes the amount of the liability for unpaid claims adjustment expenses as of December 31, 2011 is adequate to cover the Company's cost for the adjustment and recording of unpaid claims; however, actual expenses may differ from those established estimates. Adjustments to the estimates for unpaid claims adjustment expenses are reflected in operating results in the period in which the change in estimate is identified.

Remittances and Items Not Allocated — Remittances and items not allocated generally represent monies received from policyholders for monthly premium billings that have not been entered into the billing system.

General Administrative Expenses — Pursuant to the terms of the management agreement (see Note 10), the Company pays a management fee to UHS in exchange for administrative and management services. Costs for items not included within the scope of the management agreement are directly expensed as incurred. State income taxes and HMO Use Taxes are also a component of general administrative expenses. A detailed review of UHS' and the Company's administrative expenses is performed to determine the allocation between claims adjustment expenses and general administrative expenses to be reported in the statutory basis statements of operations.

Revenues — Revenues consist of net premium income that is recognized in the period in which enrollees are entitled to receive health care services. Net premium income is shown net of reinsurance premiums. Premiums received in full during the current period which are not due until future periods are recorded as premiums received in advance in the accompanying statutory basis statements of admitted assets, liabilities, and capital and surplus.

Net premium income includes the Medicare Advantage CMS premium, and the premium under the Medicare Part D program, which includes, CMS premium, member premium, and low-income premium subsidy for the Company's insurance risk coverage. Net premium income is recognized ratably over the period in which eligible individuals are entitled to receive health care services and prescription drug benefits. The Company estimates retrospective premiums adjustments based on guidelines determined by CMS (see Note 24).

The Company also has an arrangement with CMS for certain Medicare products whereby periodic changes in member risk factor adjustment scores, for certain diagnoses codes, result in changes to its Medicare revenues. The Company recognizes such changes when the amounts become determinable and supportable and collectability is reasonably assured. The estimated risk adjusted payments due to the Company at December 31, 2011 and 2011, were $675 and $76, respectively, and are recorded as uncollected premiums and health care and other receivables in the statutory basis statements of admitted assets, liabilities, and capital and surplus. The Company recognized $298 and $92 for changes in prior year Medicare risk factor estimates for the years ended December 31, 2011 and 2010, respectively, which is recorded as net premium income within the statutory basis statements of operations.

Net premium income also includes amounts paid by state and federal governments per member in exchange for the provision and administration of medical benefits under the Medicaid and Comprehensive Health Insurance Pool programs. Premiums are contractual and are recognized in the coverage period in which members are entitled to receive services, except in the case of maternity payments. Maternity income is billed on contractual rates and recognized as income as each birth case is identified by the Company. Included in net premium income are capitated payments, home nursing risk-sharing payments, high dollar risk pool payments, and maternity payments. The majority of net premium income recorded is based on capitated rates, which are monthly premiums paid for each member enrolled. Home nursing risk-sharing income is payable based upon the number of members that qualify for such reimbursement.

The Company reports uncollected premium balances from its insured members as uncollected premium balances on the statutory basis statements of admitted assets, liabilities and capital and surplus. Uncollected premium balances that are over 90 days past due, with the exception of amounts due from government insured plans, are considered nonadmitted assets. In addition to those balances, current balances are also considered nonadmitted if the corresponding balance greater than 90 days past due is deemed more than inconsequential.

The Company participates in the Graduate Medical Education and Hospital Risk Adjustment program and the Specialty Network Access Fees programs with the State of Michigan. The State of Michigan utilizes Michigan Medicaid Managed Care Organizations (MCOs) to pay the funds to hospitals participating in the program. As an MCO, the Company receives the program funds as part of the monthly capitation payment. Disbursement requirements are provided by the State of Michigan. For the years ended December 31, 2011 and 2010, net premium income of $214,607 and $184,299, respectively, and medical and hospital benefits of $214,607 and $184,299 are recorded by the Company.

Reinsurance Ceded — In the normal course of business, the Company seeks to limit its exposure to loss on any single insured and to recover a portion of benefits paid by ceding premium to other insurance enterprises or reinsurers under excess coverage contracts or specific transfer of risk agreements. The Company remains primarily liable as the direct insurer on the risks reinsured. Reinsurance premiums paid and reinsurance premiums incurred but not paid are deducted from net premium income in the accompanying statutory basis financial statements. Any amounts due to the Company pursuant to this agreement is recorded as amounts recoverable from reinsurers in the accompanying statutory basis financial statements.

Ceded Reinsurance Premiums Payable — The Company has an excess loss reinsurance agreement on its Medicaid policies with UnitedHealthcare Insurance Company (UHIC), whereby 80% of amounts up to $1,000 are covered after a deductible of $125 per member is met. The ceded reinsurance premiums payable balance represents amounts due to the reinsurer for coverage which will be paid based on the contract terms.

Amounts Recoverable From Reinsurers — The Company records amounts recoverable from reinsurers for stop-loss as reinsurance in the statutory basis statements of admitted assets, liabilities, and capital and surplus and as net reinsurance recoveries in the statutory basis statements of operations.

Incentive Pool — The Company has agreements with certain independent physicians and physician network organizations that provide for the establishment of a fund into which the Company places monthly premiums payable for members assigned to the physician. The Company manages the disbursement of funds from this account as well as reviews the utilization of non-primary care medical services of members assigned to the physicians. Any surpluses or deficits in the fund are shared by the Company and the physician based upon predetermined risk-sharing percentage and the liability is included in accrued medical incentive pool and bonus amounts in the statutory basis statements of admitted assets, liabilities, and capital and surplus, and the corresponding expense or reduction to expense is included in incentive pool, withhold adjustments, and bonus amounts in the statutory basis statements of operations.

Medical Risk Share — The Company has settlements with CMS based on whether the ultimate per member per month benefit costs of any Medicare Part D program regional plan varies more than 5% above or below the level estimated in the original bid submitted by the Company and approved by CMS in 2011 and 2010. The estimated risk share adjustment of $170 and $131 in 2011 and 2010, respectively, is recorded as an adjustment to change in unearned premium reserves and reserve for rate credits and net premium income in the statutory basis statements of operations and aggregate health policy reserves in the statutory basis statements of admitted assets, liabilities, and capital and surplus.

Health Care and Other Receivables — Health care and other receivables consist of pharmacy rebate receivables estimated based on the most currently available data from the Company's claims processing systems and from data provided by the Company's affiliated pharmaceutical benefit manager, OptumRx, Inc. ("OptumRx" - formerly known as Rx Solutions). Health care and other receivables also include a receivable for maternity case receivables due from the Department of Community Health and claim overpayments that are recoverable in the period. Health care and other receivables are considered nonadmitted assets for statutory purposes if they do not meet admissibility requirements. Accordingly, the Company has excluded receivables that do not meet the admissibility criteria from the statutory basis statements of admitted assets, liabilities, and capital and surplus (see Note 28).

Premium Deficiency Reserves — Premium deficiency reserves and the related expenses are recognized when it is probable that expected future health care expenses, claim adjustment expenses, direct administration costs, and an allocation of indirect administration costs under a group of existing contracts will exceed anticipated future premiums and reinsurance recoveries considered over the remaining lives of the contracts and are recorded as aggregate health policy reserves in the statutory basis statements of admitted assets, liabilities, and capital and surplus. Indirect administration costs arise from activities that are not specifically identifiable to a specific group of existing contracts and therefore, those costs are fully allocated among the various contract groupings. The allocation of indirect administration costs to each contract grouping is made proportionately to the expected margins remaining in the premiums after future health care expenses, claim adjustment expenses and direct administration costs are considered. The methods for making such estimates and for establishing the resulting reserves are periodically reviewed and updated, and any adjustments are reflected in increase in reserves for accident and health contracts in the accompanying statutory basis statements of operations in the period in which the change in estimate is identified. The Company anticipates investment income as a factor in the premium deficiency calculation (see Note 30).

Vulnerability Due to Certain Concentrations — The Company is subject to substantial federal and state government regulation, including licensing and other requirements relating to the offering of the Company's existing products in new markets and offerings of new products, both of which may restrict the Company's ability to expand its business.

Direct premium income from members and CMS related to Medicare Advantage and the Medicare Part D program as a percentage of direct premium income are 4% and 2% for the years ended December 31, 2011 and 2010, respectively.

Direct premium income from the State of Michigan, Department of Community Health for Medicaid, as a percentage of direct premium income is 96% and 98% for the years ending December 31, 2011 and 2010, respectively. Receivables from the State of Michigan, Department of Community Health represents 100% of uncollected premiums at December 31, 2011.

Restricted Cash Reserves — The Company is required by the State of Michigan to maintain a minimum regulatory deposit (currently $1,099). The Company is in compliance with this requirement as of December 31, 2011 and 2010. This restricted cash reserve consists principally of government obligations and are stated at amortized cost, which approximates fair value. This reserve is included in bonds in the accompanying statutory basis statements of admitted assets, liabilities, and capital and surplus. Interest earned on this reserve accrues to the Company.

Minimum Capital and Surplus — Under the laws of the State of Michigan, the Michigan OFIR requires the Company to maintain a minimum capital and surplus equal to the greater of $1,500 or 4% of the subscription revenue because the Company contracts with providers for more then 90% of benefit payout. The Company has $67,381 in total statutory basis capital and surplus as of December 31, 2011, which is in compliance with the $35,706 requirement.

Risk-based capital (RBC) is a regulatory tool for measuring the minimum amount of capital appropriate for a managed care organization to support its overall business operations in consideration of its size and risk profile. The Michigan OFIR requires the Company to maintain minimum capital and surplus equal to the greater of the state statute as outlined above or the company action level as calculated by the RBC model. The Company is in compliance with the required amount.

Reclassification — In 2010, uncollected premiums, in addition to maternity care receivables were reported as health care and other receivables. As of 2011, after communication with OFIR, uncollected premiums are no longer reclassified with the exception of maternity care receivables.

Recently Issued Accounting Standards — In December 2010, the NAIC adopted revisions to Statement of Statutory Accounting Principles (SSAP) No. 10R, *Income Taxes – Revised*, *A Temporary Replacement of SSAP No. 10* (SSAP No. 10R), which extended the effective date of the temporary replacement through the interim and annual financial statement periods of 2011. The revision to the temporary standard adds additional disclosures related to the impact of tax planning strategies and the nature of the net admitted deferred tax assets by percentage and tax character. These disclosures are incorporated in Note 9 – Income Taxes, as applicable.

In December 2010, the NAIC issued revisions to SSAP No. 100, *Fair Value Measurements* (SSAP No. 100). SSAP No. 100 established a framework for measuring fair value and establishes disclosure requirements about fair value. The original statement was early adopted for December 31, 2009, with interim and annual financial statement reporting thereafter. The 2010 revisions to SSAP No. 100 relate to the reporting and disclosure of investments measured and reported at fair value and are effective for December 31, 2010 annual financial statements. The Company adopted the revisions to SSAP No. 100 as of December 31, 2010, and the related disclosure requirements are outlined in Note 20– Fair Value Measurements.

In October 2010, the NAIC issued SSAP No. 5R, *Liabilities, Contingencies and Impairments of Assets – Revised* (SSAP No. 5R), effective for all guarantees issued or outstanding as of December 31, 2011. The revised standard requires entities to recognize, at the inception of a guarantee, a liability for the obligations it has undertaken in issuing the guarantee, even if the likelihood of having to make payments under the guarantee is remote. The impact of adoption was immaterial to the overall financial condition, results of operations and cash flows of the Company.

In October 2010, the NAIC issued SSAP No. 35R, *Guaranty Fund and Other Assessments – Revised* (SSAP No. 35R) which contains substantive revisions to certain paragraphs of SSAP No. 35 and is initially effective for the reporting period beginning January 1, 2011. The result of applying this revised Statement shall be considered a change in accounting principle in accordance with SSAP No. 3, *Accounting Changes and Corrections of Errors*. The revised standard modifies the conditions required before recognizing liabilities for insurance-related assessments. Under SSAP No. 35R, the liability is not recognized until an assessment has been imposed or is probable and the event obligating an entity to pay an imposed or probable assessment has occurred and can be reasonably estimated. Additionally, under this revised standard an asset relating to future premium tax offsets or policy surcharges shall be recognized at the time the liability is recorded, considering expected future premiums on in-force policies for long-term contracts. The impact of adoption was immaterial to the overall financial condition, results of operations and cash flows of the Company.

In November 2011, the NAIC adopted Statement of Statutory Accounting Principles (SSAP) No. 101, *Income Taxes — A Replacement of SSAP No. 10R and SSAP No. 10*, effective for 2012 interim and annual financial statements and beyond. The new standard includes revised guidance for tax contingencies, non-elective deferred tax asset admissibility test along with significant modifications to the deferred tax asset admissibility test, and disclosure modifications. A change resulting from the adoption of this revised statement shall be accounted for prospectively. The Company has assessed the impact of adopting SSAP No. 101 and believes that there will not be a material impact to total capital and surplus.

2. ACCOUNTING CHANGES AND CORRECTION OF ERRORS

No changes in accounting principles have been recorded during the years ended December 31, 2011 and 2010.

3. BUSINESS COMBINATIONS AND GOODWILL

The Company was not party to a business combination during the years ended December 31, 2011 and 2010, and does not carry goodwill in its statutory basis statements of admitted assets, liabilities, and capital and surplus.

4. DISCONTINUED OPERATIONS

The Company did not discontinue any operations during 2011 and 2010.

5. INVESTMENTS AND OTHER INVESTED ASSETS

The Company has no mortgage loans, real estate loans, restructured debt, reverse mortgages, repurchase agreements, or investments in low-income housing tax credits and does not participate in securities lending activities. The Company also has no real estate property occupied by the Company, real estate property held for the production of income, or real estate property held for sale. Total proceeds on the sale of investments for bonds are $6,455 and $3,797 and for short term investments are $821,117 and $919,268 in 2011 and 2010, respectively.

For purposes of calculating gross realized gains and losses on sales of investments, the amortized cost of each investment sold is used. The gross realized gains and losses on sales of investments for bonds were $271 and $1, respectively, for 2011 and $154 and $0, respectively, for 2010. The gross realized gains and losses on sales of investments for short term investments are $0 and $1, respectively, for 2011 and $1 and $0, respectively, for 2010. The net realized gain is included in net realized capital gains less capital gains tax in the accompanying statutory basis statements of operations.

As of December 31, 2011 and 2010, the amortized cost, fair value, and gross unrealized holding gains and losses of the Company's investments, excluding (overdrafts) cash net of cash equivalents of ($4,177) and $9,974, respectively, are as follows:

	2011				
	Amortized Cost	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses < 1 year	Gross Unrealized Holding Losses > 1 year	Fair Value
U.S. government and agency	$ 21,467	$ 438	$ (4)	$ -	$ 21,901
State and state agency	5,560	391	-	(4)	5,947
Municipalities and local agency	7,786	460	-	-	8,246
Corporate bonds	50,268	346	(45)	(59)	50,510
Commercial paper and money					-
market funds	82,240	-	-	-	82,240
Total bonds, short-term investments	$167,321	$1,635	$ (49)	$ (63)	$168,844

	2011				
	Amortized Cost	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses < 1 year	Gross Unrealized Holding Losses > 1 year	Fair Value
Less than one year	$137,168	$ 98	$ (24)	$ -	$137,242
One to five years	15,330	457	(22)	(59)	15,706
Five to ten years	8,827	844	-	-	9,671
Over ten years	5,996	236	(3)	(4)	6,225
Total bonds, short-term investments	$167,321	$1,635	$ (49)	$ (63)	$168,844

	2010				
	Amortized Cost	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses < 1 year	Gross Unrealized Holding Losses > 1 year	Fair Value
U.S. government and agency	$ 27,258	$ 189	$ (98)	$ -	$ 27,349
State and state agency	5,135	197	(2)	(4)	5,326
Municipalities and local agency	7,141	301	(10)	0	7,432
Corporate bonds	38,524	475	(26)	(31)	38,942
Commercial paper	63,003	-	-	-	63,003
Total bonds, short-term investments	$141,061	$1,162	$ (136)	$ (35)	$142,052

Included in U.S. government and agency securities and corporate bonds in the tables above are mortgage-backed securities, which do not have a single maturity date. For the years to maturity table above, these securities are presented in the maturity group based on the securities' final maturity date and at an amortized cost of $3,959 and fair value of $4,057.

The following table illustrates the fair value and gross unrealized losses, aggregated by investment category and length of time that the individual securities have been in a continuous unrealized loss position as of December 31, 2011 and 2010:

	2011					
	< 1 year		> 1 year		Total	
	Fair Value	Gross Unrealized Holding Losses	Fair Value	Gross Unrealized Holding Losses	Fair Value	Gross Unrealized Holding Losses
U.S. government and agency	$ 3,155	$ (4)	$ -	$ -	$ 3,155	$ (4)
State and state agency	-	-	171	(4)	171	(4)
Corporate bonds	27,994	(45)	242	(59)	28,236	(104)
Total bonds, short-term investments	$ 31,149	$ (49)	$ 413	$ (63)	$ 31,562	$ (112)

	2010					
	< 1 year		> 1 year		Total	
	Fair Value	Gross Unrealized Holding Losses	Fair Value	Gross Unrealized Holding Losses	Fair Value	Gross Unrealized Holding Losses
State and state agency	$ 12,813	$ (98)	$ -	$ -	$ 12,813	$ (98)
Municipalities and local agency	210	(13)	208	(4)	418	(17)
Corporate bonds	21,410	(25)	270	(31)	21,680	(56)
Total bonds, short-term investments	$ 34,433	$ (136)	$ 478	$ (35)	$ 34,911	$ (171)

The unrealized losses on investments in U.S. government and agency obligations, state and state agency obligations, municipalities and local agency obligations, and corporate bonds at December 31, 2011 and 2010 were mainly caused by interest rate increases and not by unfavorable changes in the credit ratings associated with these securities. The Company evaluates impairment at each reporting period for each of the securities whereby the fair value of the investment is less than its amortized cost. The contractual cash flows of the U.S. government and agency obligations are either guaranteed by the U.S. government or an agency of the U.S. government. It is expected that the securities would not be settled at a price less than the cost of the investment, and the Company does not intend to sell the investment until the unrealized loss is fully recovered. The Company evaluated the credit ratings of the municipalities and local agency obligations and corporate obligations, noting whether a significant deterioration since purchase or other factors which may indicate an other–than-temporary impairment, such as the length of time and extent to which fair value has been less than cost, the financial condition, and near-term prospects of the issuer as well as specific events or circumstances that may influence the operations of the issuer and the Company’s intent to sell the investment. Additionally, the Company evaluated its intent and ability to retain mortgage-backed securities for a period of time sufficient to recover the amortized cost. As a result of this review, the Company recorded other-than-temporary impairments of $0 and $3 as of December 31, 2011 and 2010, respectively, which is included in net realized capital gains less capital gains tax in the statutory basis statements of operations.

The Company did not recognize any other-than-temporary impairments on mortgage-backed securities as of December 31, 2011 and 2010.

The Company did not recognize any other-than-temporary impairments on mortgage-backed securities due to an inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis, or where the present value of cash flows expected to be collected is less than the amortized cost basis of the security, as of December 31, 2011 and 2010.

The Company did not have mortgage-type investments with an other-than-temporary impairment to report by CUSIP as of December 31, 2011.

The following table illustrates the fair value, gross unrealized losses, and length of time that the mortgage-backed securities have been in a continuous unrealized loss position at December 31, 2011 and 2010:

	2011					
	< 1 year		> 1 year			
	Fair Value	Gross Unrealized Holding Losses	Fair Value	Gross Unrealized Holding Losses	Total Fair Value	Gross Unrealized Holding Losses
Fixed income — mortgage	$ 2,626	$ (3)	$ -	$ -	$ 2,626	$ (3)

	2010					
	< 1 year		> 1 year			
	Fair Value	Gross Unrealized Holding Losses	Fair Value	Gross Unrealized Holding Losses	Total Fair Value	Gross Unrealized Holding Losses
Fixed income — mortgage	$ 3,577	$ (30)	$ -	$ -	$ 3,577	$ (30)

6. JOINT VENTURES, PARTNERSHIPS, AND LIMITED LIABILITY COMPANIES

The Company has no investments in joint ventures, partnerships, or limited liability companies.

7. INVESTMENT INCOME

The Company has admitted all investment income due and accrued in the accompanying statutory basis statements of admitted assets, liabilities, and capital and surplus.

The components of net investment income earned at December 31, 2011 and 2010, are as follows:

	2011	2010
Bonds	$ 1,110	$ 1,043
Cash, cash equivalents, and short-term investments	307	159
Total investment income earned	1,417	1,202
Expenses — investment management fees	(70)	(48)
Net investment income earned	$ 1,347	$ 1,154

8. DERIVATIVE INSTRUMENTS

The Company has no derivative instruments.

9. INCOME TAXES

The components of the net deferred tax asset for the years ended December 31, 2011 and 2010, are as follows:

	2011			2010			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
Gross deferred tax asset	$ 3,146	$ 6	$ 3,152	$ 1,756	$ 6	$ 1,762	$ 1,390	$	$ 1,390
Statutory valuation allowance	904	6	910	1,065	6	1,071	(161)		(161)
Adjusted gross deferred tax asset	2,242		2,242	691		691	1,551		1,551
Gross deferred tax liabilitites	20		20	15		15	5		5
Net deferred tax asset	2,222		2,222	676		676	1,546		1,546
Deferred tax asset nonadmitted									
Net admitted deferred tax asset	$ 2,222	$	$ 2,222	$ 676	$	$ 676	$ 1,546	$	$ 1,546

The components of the adjusted gross deferred tax assets admissibility calculation under SSAP No. 10R, *Income Taxes – Revised, A Temporary Replacement of SSAP No. 10*, are as follows:

SSAP 10R Paragraph		2011			2010			Change		
		Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
¶ 10.a	Federal income taxes recoverable through loss carryback	$2,242	$-	$2,242	$691	$-	$ 691	$1,551	$-	$1,551
¶ 10.b.i.	Adjusted gross deferred tax assets expected to be realized within one year of the balance sheet date not recovered via loss carrybacks	-	-	-	-	-	-	-	-	-
¶ 10.b.ii.	Ten percent adjusted statutory capital and surplus shown on most recently filed financial statement	N/A	N/A	7,035	N/A	N/A	1,673	N/A	N/A	5,362
	Admitted pursuant to ¶ 10b (lesser of i. or ii.)	-	-	-	-	-	-	-	-	-
¶ 10.c	Adjusted gross deferred tax assets after application of above items that can be offset against existing gross deferred tax liabilities	-	-	-	-	-	-	-	-	-
	Admitted deferred tax asset	$2,242	$-	$2,242	$691	$-	$ 691	$1,551	$-	$1,551

The Company has not elected to admit additional deferred tax assets under the expanded admissibility test.

No additional adjusted gross deferred tax assets are included in the accompanying statutory basis statements of admitted assets, liabilities, and capital and surplus as a result of tax-planning strategies.

The results from the deferred tax asset admissibility calculation in relation to total admitted assets and total capital and surplus is presented below:

	2011			2010			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
Admitted deferred tax asset	$2,242	$-	$ 2,242	$ 691	$-	$ 691	$1,551	$-	$ 1,551
Total admitted assets at December 31			174,316			159,635			14,681
Adjusted capital and suprlus at September 30			70,346			16,734			53,612
Total capital and surplus from net deferred tax assets at December 31			67,381			67,202			179

There are no unrecognized deferred tax liabilities.

The current federal income taxes incurred for the years ended December 31, 2011 and 2010, are as follows:

	2011	2010	Change
Federal income taxes incurred	$ 1,072	$ 1,243	$ (171)
Capital gains tax	106	54	52
Total current federal income taxes incurred	$ 1,178	$ 1,297	$ (119)

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities at December 31, 2011 and 2010, are as follows:

	2011	2010	Change
Ordinary deferred tax assets:			
Unpaid losses and CAE	$ 570	$ 519	$ 51
Premiums received in advance	-	2	(2)
Intangibles	1,065	1,225	(160)
Nonadmitted assets	1,378	10	1,368
Bad debt	133	-	133
Subtotal ordinary gross deferred tax asset	3,146	1,756	1,390
Statutory valuation allowance - ordinary	(904)	(1,065)	161
Adjusted ordinary gross deferred tax asset	2,242	691	1,551
Capital deferred tax assets:			
Investments	6	6	
Subtotal capital gross deferred tax asset	6	6	
Statutory valuation allowance - capital	(6)	(6)	
Total admitted deferred tax asset	2,242	691	1,551
Ordinary deferred tax liabilities:			
Investments	20	15	5
Subtotal ordinary gross deferred tax liability	20	15	5
Total deferred tax liabilities	20	15	5
Net deferred tax asset	$ 2,222	$ 676	$ 1,546

The Company assessed the potential realization of the gross deferred tax asset and established a valuation allowance of $911 and $1,071 to reduce the gross deferred tax asset to $2,242 and $691 as of December 31, 2011 and 2010, respectively which represents the amount of the asset estimated to be recoverable via carryback of losses and reduction of future taxes. The application of the statutory valuation allowance is required under SSAP No. 10R effective for 2009 through 2011. The change in the valuation allowance is attributable to the change in timing of deductibility of expenses and/or expectations for future taxable income.

The provision for federal income taxes incurred is different from that which would be obtained by applying the statutory federal income tax rate of 35% to net income before federal income taxes plus capital gains tax. The significant items causing this difference are as follows:

	2011	2010
Tax provision at the federal statutory rate	$ 1,303	$ 1,623
Tax-exempt interest	(142)	(157)
Change in statutory valuation allowance	(161)	(224)
Tax effect of nonadmitted assets	(1,368)	149
Other	-	7
Total	$ (368)	$ 1,398
Federal income taxes incurred	$ 1,072	$ 1,243
Capital gains tax	106	54
Change in net deferred tax asset	(1,546)	101
Total statutory income taxes	$ (368)	$ 1,398

At December 31, 2011, the Company had no net operating loss carryforwards.

Current federal income taxes payable (recoverable) of $1,834 and ($1,124) as of December 31, 2011 and 2010, respectively, are included in the accompanying statutory basis statements of admitted assets, liabilities, and capital and surplus. Federal income taxes received, net of refunds is $1,781 and $4,849 in 2011 and 2010, respectively.

Federal income taxes incurred of $1,177 and $1,288 for 2011 and 2010, respectively, is available for recoupment in the event of future net losses.

The Company has not admitted any aggregate amounts of deposits that are included within Section 6603 (“Deposits made to suspend running of interest on potential underpayments, etc.”) of the Internal Revenue Service Code.

The Company does not have a provision for tax contingencies recorded as of December 31, 2011 or 2010.

The Company is included in a consolidated federal income tax return with its ultimate parent, UnitedHealth Group. The entities included within the consolidated return are included in NAIC Statutory Statement Schedule Y – Information Concerning Activities of Insurer Members Of A Holding Company Group. Federal income taxes are paid to or refunded by UnitedHealth Group pursuant to the terms of a tax-sharing agreement, approved by the Board of Directors, under which taxes approximate the amount that would have been computed on a separate company basis, with the exception of net operating losses and capital losses. For these losses, the Company receives a benefit at the federal rate in the current year for current taxable losses incurred in that year to the extent losses can be utilized in the consolidated federal income tax return of UnitedHealth Group. UnitedHealth Group currently files income tax returns in the U.S. federal jurisdiction, various states, and foreign jurisdictions. The U.S. Internal Revenue Service (IRS) has completed exams on UnitedHealth Group’s consolidated income tax returns for fiscal years 2010 and prior. UnitedHealth Group’s 2011 tax return is under advance review by the IRS under its Compliance Assurance Program (CAP). With the exception of a few states, UnitedHealth Group is no longer subject to income tax examinations prior to 2004 in major state and foreign jurisdictions. The Company does not believe any adjustments that may result from these examinations will be material to the Company.

10. INFORMATION CONCERNING PARENT, SUBSIDIARIES, AND AFFILIATES

Pursuant to the terms of a management agreement, UHS will provide management services to the Company, until terminated upon the written agreement of both parties, for a fee based on a percentage of net premium income and change in unearned premium reserves and reserve for rate credits. Management fees under this arrangement totaled $81,352 and $72,727 in 2011 and 2010, respectively, and are included in general administrative expenses and claims adjustment expenses in the accompanying statutory basis statements of operations. In addition, UHS pays, on the Company’s behalf, certain expenses not covered within the scope of the management agreement. UHS is reimbursed for these expenses by the Company.

Management believes that its transactions with affiliates are fair and reasonable; however, operations of the Company may not be indicative of those that would have occurred if it had operated as an independent company.

The Company expensed as hospital and medical expenses, general administrative expenses and claims adjustment expenses $7,261 and $0 in capitation fees to related parties during 2011 and 2010, respectively. UHS’ subsidiaries and divisions provide various services to enrollees of the Company during the year. Dental Benefit Providers, Inc., provides dental care assistance and United Behavioral Health, Inc. provides mental health and substance abuse services.

The capitation expenses, administrative services, and access fees paid to related parties, that are included as hospital and medical expenses, general administrative expenses, and claims adjustment expenses in the accompanying statutory basis statements of operations for the years ended December 31, 2011 and 2010, are shown below:

	2011	**2010**
United Behavioral Health	$ 6,891	$ -
Dental Benefit Providers, Inc.	370	-
Total	$ 7,261	$ -

The Company contracts with OptumRx to provide administrative services related to pharmacy management and pharmacy claims processing for its enrollees. Fees related to these agreements, which are calculated on a per-claim basis, of $2,801 and $0 in 2011 and 2010, respectively, are included in general administrative expenses and claims adjustment expenses in the accompanying statutory basis statements of operations. Additionally, OptumRx collects rebates on certain pharmaceutical products based on member utilization. Rebates related to these agreements of $4,546 and $0 in 2011 and 2010, respectively, are included as a reduction of prescription drugs in the accompanying statutory basis statements of operations.

The Company contracts with OptumRx to provide personal health products catalogues showing the healthcare products and benefit credits needed to redeem the respective products. OptumRx will mail the appropriate personal health products catalogues to the Company's members and manage the personal health products credit balance. OptumRx also distributes personal health products to individual members based upon the terms of the agreement. Fees related to this agreement in 2011 and 2010, which are calculated on a per member per month basis of $410 and $210 are included in hospital and medical expenses in the accompanying statutory basis statements of operations.

Effective November 1, 2010, the Company has an agreement with OptumInsight, (formerly Ingenix, Inc.) for services that lead up to and include the prevention and recovery of medical expense overpayments. Percentages of every recovery are retained by OptumInsight, as service fees based on the services performed. Recoveries, net of fees, are returned to the Company on a monthly basis. Service fees are included with the management fees paid to UHS.

The Company has tax payments that are processed by UnitedHealth Group. This activity applicable to the Company is settled at regular intervals throughout the month via the intercompany settlement process and any amounts outstanding are reflected in amounts due to parent, subsidiaries, and affiliates in the accompanying statutory basis statements of admitted assets, liabilities and capital and surplus.

The Company has a reinsurance agreement with UHIC to cover certain inpatient hospital claims in excess of defined limits. Reinsurance premiums, which are calculated on a per member per month basis, of $1,895 and $1,732 in 2011 and 2010, respectively, are netted against net premium income in the accompanying statutory basis statements of operations. Reinsurance recoveries of $1,860 and $441 in 2011 and 2010, respectively, are included in net reinsurance recoveries in the accompanying statutory basis statements of operations. There was $1,226 and $431 of estimated reinsurance claim recoveries related to this agreement included in claims unpaid in the statutory basis statements of admitted assets, liabilities, and capital and surplus as of December 31, 2011 and 2010, respectively. Reinsurance contracts do not relieve the Company from its obligations to policyholders. Failure of reinsurers to honor their obligations could result in losses to the Company.

The Company holds a $4,000,000 subordinated revolving credit agreement with UnitedHealth Group at an interest rate of LIBOR plus a margin of 0.50%. This credit agreement is subordinate to the extent it does not conflict with any credit facility held by either party. The aggregate principal amount that may be outstanding at any time is the lesser of 3% of the Company’s admitted assets or 25% of the Company’s policyholder surplus as of the preceding December 31. The credit agreement is for a one-year term and automatically renews annually, unless terminated by either party. The agreement was renewed effective December 31, 2011. No amounts were outstanding under the line of credit as of December 31, 2011 and 2010.

At December 31, 2011 and 2010, the Company reported $2,065 and $10,562, respectively, as amounts due to parent, subsidiaries, and affiliates, which are included in the statutory basis statements of admitted assets, liabilities, and capital and surplus. These balances are generally settled within 90 days from the incurred date. Any balances due to the Company that are not settled within 90 days are considered nonadmitted assets.

The Company has entered into a Tax Sharing Agreement with UnitedHealth Group (see Note 9).

The Company does not have any investments in a subsidiary, controlled, or affiliated entity that exceeds 10% of admitted assets.

The Company received a total cash contribution of $25,000 in 210 from AmeriChoice (see Note 13).

The Company has not extended any guarantees or undertakings for the benefit of an affiliate or related party, it does not have any investments in a foreign insurance subsidiary and it does not hold any investments in a downstream noninsurance holding company.

11. DEBT

The Company had no outstanding debt with third parties during 2011 and 2010.

12. RETIREMENT PLANS, DEFERRED COMPENSATION, POSTEMPLOYMENT BENEFITS AND COMPENSATED ABSENCES, AND OTHER POSTRETIREMENT BENEFIT PLANS

The Company has no retirement plan, deferred compensation, or other benefit plans, since all personnel are employees of UHS, which provides services to the Company under the terms of a management agreement (see Note 10).

13. CAPITAL AND SURPLUS, SHAREHOLDERS' DIVIDEND RESTRICTIONS, AND QUASI-REORGANIZATIONS

The Company has 5,275,459 shares of authorized common stock and 2,303,598 shares outstanding with no par value. All outstanding shares are owned by AmeriChoice.

The insurance laws of the state of Michigan limit the amount of dividends which may be paid from positive unassigned surplus by an insurer without prior approval by the OFIR. Under these requirements, the Company may pay dividends during any 12-month period in an amount equal to the greater of 10% of the preceding year-end statutory basis capital and surplus or the preceding year's statutory basis net income.

The Company received cash contributions of $5,000 and $20,000 on April, 21, 2010 and June 30, 2010, respectively, from AmeriChoice and was recorded as an increase to gross paid-in and contributed surplus in the accompanying statutory basis statements of admitted assets, liabilities, and capital and surplus.

There are no restrictions placed on the Company's unassigned surplus. The Company does not hold any stock, including stock of affiliated companies for special purposes, such as conversion of preferred stock, employee stock options or stock purchase warrants.

The Company does not have any special surplus funds.

The portion of unassigned funds represented or (reduced by) each item below is as follows:

	2011	2010
Net deferred income taxes	$ 2,222	$ 676
Nonadmitted assets	3,939	27
Total	$ 6,161	$ 703

The Company has never been a party to a quasi-reorganization and does not have any outstanding surplus notes.

14. CONTINGENCIES

Because of the nature of the business, the Company is routinely made party to a variety of legal actions related to the design and management of its service offerings. The Company records liabilities for estimates of probable costs resulting from these matters where appropriate. These matters include, but are not limited to, claims relating to health care benefits coverage, medical malpractice actions, contract disputes, and claims related to certain other business practices. Although the outcomes of any such legal actions cannot be predicted, in the opinion of management, the resolution of any currently pending or threatened actions will not have a material adverse effect on the accompanying statutory basis statements of admitted assets, liabilities, and capital and surplus or statutory basis statements of operations of the Company.

The Company's business is regulated at the federal, state and local levels. The laws and rules governing the Company's business and interpretations of those laws and rules are subject to frequent change. Broad latitude is given to the agencies administering those regulations. Further, the Company must obtain and maintain regulatory approvals to market and sell many of its products.

The Company has been and is currently involved in various governmental investigations, audits and reviews. These include routine, regular and special investigations, audits and reviews by CMS, state insurance and health and welfare departments, state attorneys general, the Office of Inspector General (OIG), the Office of Personnel Management, the Office of Civil Rights, U.S. Congressional committees, the U.S. Department of Justice, U.S. Attorneys, the SEC, the IRS, the U.S. Department of Labor, the Federal Deposit Insurance Corporation and other governmental authorities. Examples of audits include the risk adjustment data validation (RADV) audits discussed below and a review by the U.S. Department of Labor of the Company's administration of applicable customer employee benefit plans with respect to ERISA compliance.

Government actions can result in assessment of damages, civil or criminal fines or penalties, or other sanctions, including loss of licensure or exclusion from participation in government programs and could have a material adverse impact on the accompanying statutory basis statements of admitted assets, liabilities, and capital and surplus or statutory basis statements of operations of the Company.

Risk Adjustment Data Validation Audit. CMS adjusts capitation payments to Medicare Advantage plans and Medicare Part D plans according to the predicted health status of each beneficiary as supported by data from health care providers as well as, for Medicare Part D plans only, based on comparing costs predicted in the Company's annual bids to actual prescription drug costs. The Company collects claim and encounter data from providers, who the Company generally relies on to appropriately code their claim submissions and document their medical records. CMS then determines the risk score and payment amount for each enrolled member based on the health care data submitted and member demographic information.

In 2008, CMS announced that it would perform RADV audits of selected Medicare Advantage health plans each year to validate the coding practices of and supporting documentation maintained by health care providers. These audits involve a review of medical records maintained by providers and may result in retrospective adjustments to payments made to health plans. Certain of the Company's health plans have been selected for audit. These audits are focused on medical records supporting risk adjustment data for 2006 that were used to determine 2007 payment amounts. Although these audits are ongoing, the Company does not believe they will have a material impact on the accompanying statutory basis statements of admitted assets, liabilities, and capital and surplus or statutory basis statements of operations of the Company.

In December 2010, CMS published for public comment a new proposed RADV audit and payment adjustment methodology. The proposed methodology contains provisions allowing retroactive contract level payment adjustments for the year audited using an extrapolation of the "error rate" identified in audit samples. The Company has submitted comments to CMS regarding concerns the Company has with CMS' proposed methodology. These concerns include, among others, the fact that the proposed methodology does not take into account the "error rate" in the original Medicare fee-for-service data that was used to develop the risk adjustment system. Additionally, payments received from CMS, as well as benefits offered and premiums charged to members, are based on actuarially certified bids that did not include any assumption of retroactive audit payment adjustments. The Company believes that applying retroactive audit and payment adjustments after CMS acceptance of bids undermines the actuarial soundness of the bids. On February 3, 2011, CMS notified the Company that CMS was evaluating all comments received on the proposed methodology and that it anticipated making changes to the draft, based on input CMS had received. On February 24, 2012 CMS issued their final audit approach methodology. Management is currently evaluating the impact the revised methodology could have on the accompanying statutory basis financial statements. Potential payment adjustments could have a material adverse effect on the accompanying statutory basis statements of admitted assets, liabilities, and capital and surplus or statutory basis statements of operations of the Company.

During the first quarter of 2010, the Patient Protection and Affordable Care Act and a reconciliation measure, the Health Care and Education Reconciliation Act of 2010 (collectively known as Health Reform Legislation), were signed into law. The Health Reform Legislation expands access to coverage and modifies aspects of the commercial insurance market, as well as the Medicaid and Medicare programs, Children's Health Insurance Program (CHIP), and other aspects of the health care system. Certain provisions of the Health Reform Legislation have already taken effect, and other provisions become effective at various dates over the next several years. The Department of Health and Human Services (HHS), the Department of Labor (DOL) and the Treasury Department have issued regulations (or proposed regulations) on a number of aspects of Health Reform Legislation, but the Company awaits final rules and interim guidance on other key aspects of the legislation but final rules and interim guidance on the other key aspects of the legislation remain pending.

Certain aspects of the Health Reform Legislation are also being challenged in federal court, with the proponents of such challenges seeking to limit the scope of or have all or portions of the Health Reform Legislation declared unconstitutional. The United States Supreme Court is scheduled to hear oral arguments on certain aspects of these cases in March 2012, including the constitutionality of the individual mandate. Congress may also withhold the funding necessary to implement the Health Reform Legislation, or may attempt to replace the legislation with amended provisions or repeal it altogether.

The Health Reform Legislation and the related federal and state regulations will impact how the Company does business and could restrict revenue and enrollment growth in certain products and market segments, restrict premium growth rates for certain products and market segments, increase the Company's medical and administrative costs, expose the Company to an increased risk of liability (including increasing our liability in federal and state courts for coverage determinations and contract interpretation) or put the Company at risk for loss of business. In addition, the Company's results of operations, financial condition, including the ability to maintain the value of goodwill, and cash flows could be materially adversely affected by such changes. The Health Reform Legislation may create new or expand existing opportunities for business growth, but due to its complexity, the impact of the Health Reform Legislation remains difficult to predict and is not yet fully known.

The Company is not aware of any assessments, potential or accrued, that could have a material financial effect on the operations of the entity or any gain contingencies that should be recorded or disclosed in the financial statements

There are no assets that the Company considers to be impaired at December 31, 2011 and 2010, except as disclosed in Note 5 and Note 20.

15. LEASES

According to the management agreement between the Company and UHS (see Note 10), operating leases for the rental of office facilities and equipment are the responsibility of UHS. Fees associated with the management agreement are included in the Company's management fee.

16. INFORMATION ABOUT FINANCIAL INSTRUMENTS WITH OFF-BALANCE-SHEET RISK AND FINANCIAL INSTRUMENTS WITH CONCENTRATIONS OF CREDIT RISK

The Company does not hold any financial instruments with off-balance-sheet risk or concentrations of credit risk.

17. SALE, TRANSFER, AND SERVICING OF FINANCIAL ASSETS AND EXTINGUISHMENTS OF LIABILITIES

The Company did not participate in any transfer of receivables, financial assets, or wash sales.

18. GAIN OR LOSS TO THE REPORTING ENTITY FROM UNINSURED PLANS AND THE UNINSURED PORTION OF PARTIALLY INSURED PLANS

The Medicare Part D program is a partially insured plan. The Company recorded a receivable of $1,193 and $1,075 at December 31, 2011 and 2010, respectively, for cost reimbursements under the Medicare Part D program for the catastrophic reinsurance and low-income member cost-sharing subsidies as described in Note 1 *Amounts Receivable Relating to Uninsured Plans and Liability for Amounts Held Under Uninsured Plans*. The Company also recorded a receivable of $1 and a payable of $1 at December 31, 2011 for the Medicare Part D Coverage Gap Discount Program as described in Note 1, *Amounts Receivable Relating to Uninsured Plans and Liability for Amounts Held Under Uninsured Plans.*

19. DIRECT PREMIUM WRITTEN/PRODUCED BY MANAGING GENERAL AGENTS/THIRD-PARTY ADMINISTRATORS

The Company did not have any direct premiums written or produced by managing general agents or third-party administrators.

20. FAIR VALUE MEASUREMENT

The NAIC SAP defines fair value, establishes a framework for measuring fair value, and outlines the disclosure requirements related to fair value measurements. The fair value hierarchy is as follows:

Level 1 — Quoted (unadjusted) prices for identical assets in active markets.

Level 2 — Other observable inputs, either directly or indirectly, including:

- Quoted prices for similar assets in active markets
- Quoted prices for identical or similar assets in nonactive markets (few transactions, limited information, noncurrent prices, high variability over time, etc.)
- Inputs other than quoted prices that are observable for the asset (interest rates, yield curves, volatilities, default rates, etc.)
- Inputs that are derived principally from or corroborated by other observable market data

Level 3 — Unobservable inputs that cannot be corroborated by observable market data.

The estimated fair values of bonds and short-term investments (investments) are based on quoted market prices, where available. The Company obtains one price for each security primarily from a third-party pricing service (pricing service), which generally uses quoted or other observable inputs for the determination of fair value. The pricing service normally derives the security prices through recently reported trades for identical or similar securities, making adjustments through the reporting date based upon available observable market information. For securities not actively traded, the pricing service may use quoted market prices of comparable instruments or discounted cash flow analyses, incorporating inputs that are currently observable in the markets for similar securities. Inputs that are often used in the valuation methodologies include, but are not limited to, non-binding broker quotes, benchmark yields, credit spreads, default rates and prepayment speeds. As the Company is responsible for the determination of fair value, it performs quarterly analyses on the prices received from the pricing service to determine whether the prices are reasonable estimates of fair value. Specifically, the Company compares the prices received from the pricing service to prices reported by its custodian, its investment consultant and third-party investment advisors. Additionally, the Company compares changes in the reported market values and returns to relevant market indices to test the reasonableness of the reported prices. Based on the Company's internal price verification procedures and review of fair value methodology documentation provided by independent pricing services, the Company has not historically adjusted the prices obtained from the pricing service.

In instances in which the inputs used to measure fair value fall into different levels of the fair value hierarchy, the fair value measurement has been determined based on the lowest level input that is significant to the fair value measurement in its entirety. The Company's assessment of the significance of a particular item to the fair value measurement in its entirety requires judgment, including the consideration of inputs specific to the asset or liability.

The Company has does not have any financial assets that are measured and reported at fair value on the statutory basis statements of admitted assets, liabilities, and capital and surplus at December 31, 2011 and 2010.

The Company does not have any financial assets with a fair value hierarchy of level 3.

21. OTHER ITEMS

The Company's business is regulated at federal, state and local levels, and the Company must obtain and maintain regulatory approvals to market and sell many of its products. The laws and rules governing the Company's business and interpretations of those laws and rules are subject to frequent change. Broad latitude is given to the agencies administering those regulations.. State legislatures and Congress continue to focus on health care issues.

The Company did not encounter any extraordinary items for the years ended December 31, 2011 or 2010.

The Company has no troubled debt restructurings as of December 31, 2011 or 2010.

The Company routinely evaluates the collectability of all receivable amounts included within the statutory basis statements of admitted assets, liabilities, and capital and surplus. Reserves are established for those amounts where collectability is uncertain. Based on the Company's past experience, exposure related to uncollectible balances and the potential of loss for those balances not currently reserved for is not material to the Company's financial condition.

The Company has not received any business interruption insurance recoveries during 2011 and 2010, and does not have any state transferable tax credits or hybrid securities as of December 31, 2011 and 2010.

Sub-Prime Mortgage Related Risk Exposure - The investment policy for the Company limits investments in asset-backed securities, which includes the sub-prime issuers. Further, the policy limits investments in private-issuer mortgage securities to 10% of the portfolio, which also includes sub-prime issuers. The exposure to unrealized losses on sub-prime issuers is due to changes in market prices. There are no realized losses due to not receiving anticipated cash flows. The investments covered are rated NAIC rating of 1 or 2. The Company has no direct exposure through investments in sub-prime mortgage loans. The Company has no underwriting exposure to sub-prime mortgage risk through mortgage guaranty or financial guaranty insurance coverage. The Company does not have direct exposure related to residential and commercial mortgage-backed securities.

22. EVENTS SUBSEQUENT

The Company has evaluated subsequent events through February 28, 2012, which is the date these statutory basis financial statements were available for issuance.

On September 20, 2011, the Health Insurance Claims Assessment Act was signed into legislation. This tax will replace the current HMO Use Tax, and will equal 1% of paid claims for dates of service on or after January 1, 2012. Paid claims related to Medicare policies are exempt from the assessment.

There are no other events subsequent to December 31, 2011, that require disclosure.

23. REINSURANCE

The Company does not have any external reinsurance agreements in place as of December 31, 2011 or 2010.

In the normal course of business, the Company seeks to reduce potential losses that may arise from catastrophic events that cause unfavorable underwriting results by reinsuring certain levels of such risk with affiliates (see Note 10). The Company remains primarily liable as the direct insurer on all risks reinsured.

Ceded Reinsurance Report —

Section 1 — General Interrogatories

a. Are any nonaffiliated reinsurers owned in excess of 10% or controlled, either directly or indirectly, by the Company or by any representative, officer, trustee, or director of the Company?

   Yes ( ) No (X)

b. Have any policies issued by the Company been reinsured with a company chartered in a country other than the United States (excluding U.S. branches of such companies) that is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor, or any other person not primarily engaged in the insurance business?

   Yes ( ) No (X)

Section 2 — Ceded Reinsurance — Part A

1) Does the Company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credit?

   Yes ( ) No (X)

2) Does the reporting entity have any reinsurance agreements in effect that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies?

   Yes ( ) No (X)

Section 3 — Ceded reinsurance — Part B

1) What is the estimated amount of the aggregate reduction in surplus (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of premium or other similar credits that are reflected in Section 2 above) of termination of all reinsurance agreements, by either party, as of the date of this statement? Where necessary, the Company may consider the current or anticipated experience of the business reinsured in making this estimate.

   The Company estimates there should be no aggregate reduction in surplus for termination of all reinsurance agreements as of December 31, 2011.

2) Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the Company as of the effective date of the agreement?

   Yes ( ) No (X)

Unsecured Reinsurance Recoverable — The Company does not have an unsecured aggregate reinsurance recovery receivable with any individual reinsurers, authorized or unauthorized, that exceeds 3% of the Company's policyholder surplus.

Reinsurance Recoverable in Dispute — The Company does not have a reinsurance recoverable balance that is being disputed by any individual reinsurer.

Reinsurance Assumed and Ceded — The Company does not have a provision in its reinsurance contract to return commissions to the reinsurer in the event that the Company cancels its reinsurance policy.

Uncollectible Reinsurance — During 2011 and 2010, there were no uncollectible reinsurance recoverable.

Commutation of Reinsurance — There was no commutation of reinsurance in 2011 or 2010.

Retroactive Reinsurance — The Company did not have a retroactive reinsurance agreement in 2011 or 2010.

24. RETROSPECTIVELY RATED CONTRACTS AND CONTRACTS SUBJECT TO REDETERMINATION

The Company has Medicare Part D program business which is subject to a retrospective rating feature related to Part D Premiums. The Company has estimated accrued retrospective premiums related to certain Part D premiums based on guidelines determined by CMS. The formula is tiered and based on the bid medical loss ratio. The amount of Part D earned premiums subject to retrospective rating is $3,024 and $1,800 representing 0.34% and 0.22% of total net premium income for 2011 and 2010, respectively.

Estimated accrued retrospective premiums due to the Company are recorded in aggregate health policy reserves on the statutory basis statements of admitted assets, liabilities, and capital and surplus and as an adjustment to net premium income in the statutory basis statements of operations.

The Company does not have any business subject to the specific minimum loss ratios pursuant to the Health Reform Legislation (see Note 14).

The Company does not have any other retrospectively rated contracts subject to redetermination as of December 31, 2011 or 2010.

25. CHANGE IN INCURRED CLAIMS AND CLAIMS ADJUSTMENT EXPENSES

Changes in estimates related to the prior year incurred claims are included in total hospital and medical expenses in the current year in the accompanying statutory basis statements of operations. The following tables disclose paid claims, incurred claims, and the balance in the claims unpaid, accrued medical incentive pool and bonus amounts, aggregate health claim reserves and health care receivables for 2011 and 2010:

	2011		
	Current Year Incurred Claims	**Prior Years Incurred Claims**	**Total**
Beginning of year claim reserve	$ -	$ (79,128)	$ (79,128)
Paid claims, net of health care receivables and reinsurance recoveries collected	660,227	73,085	733,312
End of year claim reserve	93,113	2,205	95,318
Incurred claims excluding the change in health care receivables and reinsurance recoverables as recoverables as presented below	753,340	(3,838)	749,502
Beginning of year health care receivables and reinsurance recoverables		2,617	2,617
End of year health care receivables and reinsurance recoverables	(7,150)	(2,335)	(9,485)
Total incurred claims	$ 746,190	$ (3,556)	$ 742,634

	2010		
	Current Year Incurred Claims	Prior Years Incurred Claims	Total
Beginning of year claim reserve	$ -	$ (64,911)	$ (64,911)
Paid claims	611,517	42,601	654,118
End of year claim reserve	65,796	13,332	79,128
Incurred claims	$ 677,313	$ (8,978)	$ 668,335

In 2011, the Company changed the presentation in the table above to separately reflect health care receivables. In 2010, paid claims and incurred claims are reported net of health care receivables and reinsurance recoveries collected.

The liability for claims unpaid, accrued medical incentive pool and bonus amounts, aggregate health claim reserves and health care receivables as of December 31, 2010 are $76,511. As of December 31, 2011, $73,085 has been paid for incurred claims attributable to insured events of prior years. Reserves remaining for prior years are now ($130) as a result of re-estimation of unpaid claims. Therefore, there has been $3,556 favorable prior-year development since December 31, 2010 to December 31, 2011. The primary drivers consist of favorable development as a result of ongoing analysis of loss development trends related to the release and reestablishment of $2,514 in known environmental claims and $996 in retroactivity for inpatient, outpatient, physician, and pharmacy claims. At December 31, 2010, the Company recorded $8,979 of favorable development related to insured events of prior years primarily as a result of ongoing analysis of loss development trends and changes to the provider settlement reserves. Original estimates are increased or decreased, as additional information becomes known regarding individual claims. Included in this favorable (unfavorable) development is the impact related to retrospectively rated policies. As a result of the prior-year effects, on a regular basis, the Company adjusts revenue and the corresponding liability and/or receivable related to retrospectively rated policies and the impact of the change is included as a component of change in unearned premium reserves and reserve for rate credits in the statutory basis statements of operations.

The Company incurred claims adjustment expenses of $15,793 and $33,084 in 2011 and 2010, respectively. These costs are included in the management service fees paid by the Company to UHS as a part of its management agreement (see Note 10). The following tables disclose paid CAE, incurred CAE, and the balance in the unpaid claim adjustment expenses reserve for 2011 and 2010:

	2011	2010
Total claims adjustment expenses incurred	$15,793	$33,084
Less current year unpaid claims adjustment expenses	(1,271)	(935)
Add prior year unpaid claims adjustment expenses	935	1,485
Total claims adjustment expenses paid	$15,457	$33,634

26. INTERCOMPANY POOLING ARRANGEMENTS

The Company did not have any intercompany pooling arrangements in 2011 or 2010.

27. STRUCTURED SETTLEMENTS

The Company did not have structured settlements in 2011 or 2010.

28. HEALTH CARE AND OTHER RECEIVABLES

Pharmaceutical rebates receivable are recorded when reasonably estimated or billed by the affiliated pharmaceutical benefit manager in accordance with pharmaceutical rebate contract provisions. Information used to support rebates billed to the manufacturer is based on utilization information gathered by the pharmaceutical benefit manager and adjusted for significant changes in pharmaceutical contract provisions. The Company has excluded receivables that do not meet the admissibility criteria from the statutory basis statements of admitted assets, liabilities, and capital and surplus.

The collection history of pharmacy rebates is summarized as:

Quarter	Estimated Pharmacy Rebates	Pharmacy Rebates as Invoiced/ Confirmed	Rebates Collected Within 90 Days of Invoicing/ Confirmation	Rebates Collected Within 91 to 180 Days of Invoicing/ Confirmation	Rebates Collected More than 181 Days of Invoicing/ Confirmation
December 31, 2011	$ 1,285	$ -	$ -	$ -	$ -
September 30, 2011	809	1,156	365	-	-
June 30, 2011	761	1,109	517	569	-
March 31, 2011	532	887	404	162	283

Of the amount reported as admitted health care and other receivables, $2,009 and $0 relates to pharmaceutical rebate receivables as of December 31, 2011 and 2010, respectively. Health care and other receivables also includes maternity case receivables due from the Department of Community Health moved from uncollected premiums per the State of Michigan. This amount totaled $2,972 and $2,617 as of December 31, 2011 and 2010, respectively. In 2011, health care and other receivables also contains an amount for a claims overpayment of $485. In 2010, $2,212 of uncollected premiums is also recorded as health care receivables, this amount is recorded as uncollected premiums in 2011 (see Note 1).

29. PARTICIPATING POLICIES

The Company did not have any participating contracts in 2011 or 2010.

30. PREMIUM DEFICIENCY RESERVES

The Company has not recorded any premium deficiency reserves as of December 31, 2011 or 2010.

31. ANTICIPATED SALVAGE AND SUBROGATION

Due to the type of business being written, the Company has no salvage. As of December 31, 2011 and 2010, the Company had no specific accruals established for outstanding subrogation, as it is considered a component of the actuarial calculations used to develop the estimates of claims unpaid and aggregate health claim reserves.

* * * * * *

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES
GENERAL

1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [X] No [ ]

1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent, or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes [X] No [ ] N/A [ ]

1.3 State Regulating? Michigan

2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [X] No [ ]

2.2 If yes, date of change: 01/01/2011

3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2010

3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2007

3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 06/22/2009

3.4 By what department or departments?
State of Michigan Office of Financial and Insurance Regulation

3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes [X] No [ ] N/A [ ]

3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [X] No [ ] N/A [ ]

4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity), receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.11 sales of new business? Yes [ ] No [X]

4.12 renewals? Yes [ ] No [X]

4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.21 sales of new business? Yes [ ] No [X]

4.22 renewals? Yes [ ] No [X]

5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [ ] No [X]

5.2 If yes, provide the name of the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile

6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [ ] No [X]

6.2 If yes, give full information:

7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes [ ] No [X]

7.2 If yes,

7.21 State the percentage of foreign control; %

7.22 State the nationality(s) of the foreign person(s) or entity(s) or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact; and identify the type of entity(s) (e.g., individual, corporation or government, manager or attorney in fact).

1 Nationality	2 Type of Entity

GENERAL INTERROGATORIES

8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [ ] No [X]

8.2 If response to 8.1 is yes, please identify the name of the bank holding company.

8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [X] No [ ]

8.4 If response to 8.3 is yes, please provide the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 OTS	6 FDIC	7 SEC
OptumHealth Bank, Inc	Salt Lake City, Utah	NO	NO	NO	YES	NO

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Deloitte & Touche LLP
Minneapolis, MN

10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes [ ] No [X]

10.2 If the response to 10.1 is yes, provide information related to this exemption:

10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 17A of the Model Regulation, or substantially similar state law or regulation? Yes [ ] No [X]

10.4 If the response to 10.3 is yes, provide information related to this exemption:

10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes [X] No [ ] N/A [ ]

10.6 If the response to 10.5 is no or n/a, please explain

11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Jed L. Linfield, Director of Actuarial Reserving Services, UnitedHealthcare Community and State, Reston, VA

12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [ ] No [X]

12.11 Name of real estate holding company

12.12 Number of parcels involved

12.13 Total book/adjusted carrying value $

12.2 If, yes provide explanation:

13. **FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:**

13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?

13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [ ] No [ ]

13.3 Have there been any changes made to any of the trust indentures during the year? Yes [ ] No [ ]

13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [ ] No [ ] N/A [ ]

14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [X] No [ ]

(a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
(b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
(c) Compliance with applicable governmental laws, rules and regulations;
(d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
(e) Accountability for adherence to the code.

14.11 If the response to 14.1 is No, please explain:

14.2 Has the code of ethics for senior managers been amended? Yes [X] No [ ]

14.21 If the response to 14.2 is yes, provide information related to amendment(s).
UnitedHealth Group’s previous code of conduct (“The Principles of Ethics & Integrity”) was somewhat outdated and had not been substantially revised in many years. In 2010, the Company’s compliance and ethics team began the process of researching best practices and benchmarking our code against other companies' codes. On May 24, 2011, the UnitedHealth Group Board of Directors adopted the newly revised “Code of Conduct: Our Principles of Ethics & Integrity.” The Code covers all employees at all levels. The topics covered in the new Code are not considerably different, but the material is now much more user- friendly, intuitive and helpful in both aesthetics and content.

14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [ ] No [X]

14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).

GENERAL INTERROGATORIES

15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance with a NAIC rating of 3 or below? Yes [ ] No [X]

15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

1 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 Amount

BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate committee thereof? Yes [X] No [ ]

17. Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof? Yes [X] No [ ]

18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict with the official duties of such person? Yes [X] No [ ]

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [ ] No [X]

20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.11 To directors or other officers $ 0
- 20.12 To stockholders not officers $ 0
- 20.13 Trustees, supreme or grand (Fraternal Only) $ 0

20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.21 To directors or other officers $ 0
- 20.22 To stockholders not officers $ 0
- 20.23 Trustees, supreme or grand (Fraternal Only) $ 0

21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes [ ] No [X]

21.2 If yes, state the amount thereof at December 31 of the current year:
- 21.21 Rented from others $ 0
- 21.22 Borrowed from others $ 0
- 21.23 Leased from others $ 0
- 21.24 Other $ 0

22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes [ ] No [X]

22.2 If answer is yes:
- 22.21 Amount paid as losses or risk adjustment $ 0
- 22.22 Amount paid as expenses $ 0
- 22.23 Other amounts paid $ 0

23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [ ] No [X]

23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: $ 0

INVESTMENT

24.1 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.3) Yes [X] No [ ]

24.2 If no, give full and complete information relating thereto

24.3 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)

24.4 Does the Company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? Yes [ ] No [ ] N/A [X]

24.5 If answer to 24.4 is yes, report amount of collateral for conforming programs. $

24.6 If answer to 24.4 is no, report amount of collateral for other programs. $

24.7 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes [ ] No [ ] N/A [X]

24.8 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [ ] No [ ] N/A [X]

24.9 Does the reporting entity or the reporting entity 's securities lending agent utilize the Master Securities lending Agreement (MSLA) to conduct securities lending? Yes [ ] No [ ] N/A [X]

GENERAL INTERROGATORIES

25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.3). Yes [X] No [ ]

25.2 If yes, state the amount thereof at December 31 of the current year:

25.21 Subject to repurchase agreements	$ 0
25.22 Subject to reverse repurchase agreements	$ 0
25.23 Subject to dollar repurchase agreements	$ 0
25.24 Subject to reverse dollar repurchase agreements	$ 0
25.25 Pledged as collateral	$ 0
25.26 Placed under option agreements	$ 0
25.27 Letter stock or other securities restricted as to sale	$ 0
25.28 On deposit with state or other regulatory body	$ 1,099,054
25.29 Other	$ 0

25.3 For category (25.27) provide the following:

1 Nature of Restriction	2 Description	3 Amount

26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [ ] No [X]

26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [ ] No [ ] N/A [ ]
If no, attach a description with this statement.

27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes [ ] No [X]

27.2 If yes, state the amount thereof at December 31 of the current year. $

28. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes [X] No [ ]

28.01 For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian's Address
Northern Trust	50 S. LaSalle, Chicago, IL 60675
State Street Bank	801 Pennsylvania, Kansas City, MO 64105
Bank of New York Mellon	Global Liquidity Services, 1 Wall St, 14th Floor, New York, NY 10286

28.02 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)

28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year? Yes [X] No [ ]
28.04 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
Not Applicable	Northern Trust	06/23/2011	Economics

28.05 Identify all investment advisors, brokers/dealers or individuals acting on behalf of brokers/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository Number(s)	2 Name	3 Address
107038	JPMorgan Investment Management Inc.	245 Park Avenue, New York, NY 10167
106595	Wellington Management Company, LLP	280 Congress Street, Boston, MA 02210
	Internally Managed	

GENERAL INTERROGATORIES

29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D, Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5(b)(1)])? Yes [ ] No [X]

29.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
29.2999 - Total		0

29.3 For each mutual fund listed in the table above, complete the following schedule:

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation

30. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds	169,324,838	171,450,226	2,125,388
30.2 Preferred stocks	0		0
30.3 Totals	169,324,838	171,450,226	2,125,388

30.4 Describe the sources or methods utilized in determining the fair values:

For those securities that had prices in the NAIC SVO ISIS database, those prices were used, for those securities that did not have prices in the NAIC SVO ISIS database, pricing was obtained from HUB which is an external data sources vendor. HUB utilizes various pricing sources.

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes [X] No [ ]

31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes [X] No [ ]

31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:

http://www.hubdata.com/HMDWeb/Logon.asp

32.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed? Yes [X] No [ ]

32.2 If no, list exceptions:

GENERAL INTERROGATORIES

OTHER

33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? $ 0

33.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1 Name	2 Amount Paid

34.1 Amount of payments for legal expenses, if any? $ 0

34.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? $ 0

35.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid

GENERAL INTERROGATORIES

PART 2 - HEALTH INTERROGATORIES

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes [ ] No [X]

1.2 If yes, indicate premium earned on U.S. business only. $

1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? $

1.31 Reason for excluding

1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above $

1.5 Indicate total incurred claims on all Medicare Supplement Insurance. $ 0

1.6 Individual policies:

Most current three years:

1.61 Total premium earned $ 0

1.62 Total incurred claims $ 0

1.63 Number of covered lives 0

All years prior to most current three years:

1.64 Total premium earned $ 0

1.65 Total incurred claims $ 0

1.66 Number of covered lives 0

1.7 Group policies:

Most current three years:

1.71 Total premium earned $ 0

1.72 Total incurred claims $ 0

1.73 Number of covered lives 0

All years prior to most current three years:

1.74 Total premium earned $ 0

1.75 Total incurred claims $ 0

1.76 Number of covered lives 0

2. Health Test:

		1 Current Year	2 Prior Year
2.1	Premium Numerator	890,754,832	800,242,736
2.2	Premium Denominator	890,754,832	800,242,736
2.3	Premium Ratio (2.1/2.2)	1.000	1.000
2.4	Reserve Numerator	95,555,802	79,257,938
2.5	Reserve Denominator	95,555,802	79,257,938
2.6	Reserve Ratio (2.4/2.5)	1.000	1.000

3.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits? Yes [ ] No [X]

3.2 If yes, give particulars:

4.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency? Yes [X] No [ ]

4.2 If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered? Yes [ ] No [X]

5.1 Does the reporting entity have stop-loss reinsurance? Yes [X] No [ ]

5.2 If no, explain:

5.3 Maximum retained risk (see instructions)

5.31 Comprehensive Medical $

5.32 Medical Only $ 250,000

5.33 Medicare Supplement $

5.34 Dental & Vision $

5.35 Other Limited Benefit Plan $

5.36 Other $

6. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:

Hold harmless clauses in provider agreements and continuation of coverage endorsements in reinsurance agreement

7.1 Does the reporting entity set up its claim liability for provider services on a service date basis? Yes [X] No [ ]

7.2 If no, give details

8. Provide the following information regarding participating providers:

8.1 Number of providers at start of reporting year 6,024

8.2 Number of providers at end of reporting year 6,168

9.1 Does the reporting entity have business subject to premium rate guarantees? Yes [ ] No [X]

9.2 If yes, direct premium earned:

9.21 Business with rate guarantees between 15-36 months $

9.22 Business with rate guarantees over 36 months $

GENERAL INTERROGATORIES

10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts? Yes [X] No [ ]

10.2 If yes:
- 10.21 Maximum amount payable bonuses $ 1,383,571
- 10.22 Amount actually paid for year bonuses $ 4,584,066
- 10.23 Maximum amount payable withholds $
- 10.24 Amount actually paid for year withholds $

11.1 Is the reporting entitiy organized as:
- 11.12 A Medical Group/Staff Model, Yes [ ] No [X]
- 11.13 An Individual Practice Association (IPA), or, Yes [ ] No [X]
- 11.14 A Mixed Model (combination of above)? Yes [X] No [ ]

11.2 Is the reporting entity subject to Minimum Net Worth Requirements? Yes [X] No [ ]
11.3 If yes, show the name of the state requiring such net worth. Michigan
11.4 If yes, show the amount required. $ 62,950,873
11.5 Is this amount included as part of a contingency reserve in stockholder's equity? Yes [ ] No [X]
11.6 If the amount is calculated, show the calculation
The Company used the 2011 Risk Based Calculation at the 250% authorized control level.

12. List service areas in which reporting entity is licensed to operate:

1 Name of Service Area
Allegan County, MI
Berrien County, MI
Branch County, MI
Calhoun County, MI
Cass County, MI
Hillsdale County, MI
Huron County, MI
Jackson County, MI
Kalamazoo County, MI
Kent County, MI
Lenawee County, MI
Livingston County, MI
Macomb County, MI
Monroe County, MI
Muskegon County, MI
Oakland County, MI
Oceana County, MI
Ottawa County, MI
Saginaw County, MI
St. Clair County, MI
St. Joseph County, MI
Sanilac County, MI
Tuscola County, MI
Van Buren County, MI
Wayne County, MI

13.1 Do you act as a custodian for health savings accounts? Yes [ ] No [X]

13.2 If yes, please provide the amount of custodial funds held as of the reporting date. $

13.3 Do you act as an administrator for health savings accounts? Yes [ ] No [X]

13.4 If yes, please provide the balance of funds administered as of the reporting date. $

FIVE-YEAR HISTORICAL DATA

		1 2011	2 2010	3 2009	4 2008	5 2007
	Balance Sheet (Pages 2 and 3)					
1.	Total admitted assets (Page 2, Line 28)	174,315,586	159,635,325	111,300,522	97,862,253	84,701,494
2.	Total liabilities (Page 3, Line 24)	106,935,017	92,433,488	71,223,224	47,923,716	42,723,268
3.	Statutory surplus	62,950,873	44,464,136	38,744,530	15,238,304	41,978,226
4.	Total capital and surplus (Page 3, Line 33)	67,380,569	67,201,837	40,077,299	49,938,537	41,978,226
	Income Statement (Page 4)					
5.	Total revenues (Line 8)	890,646,432	800,154,450	671,311,461	510,562,000	413,965,012
6.	Total medical and hospital expenses (Line 18)	742,634,760	668,335,090	578,111,195	449,006,705	367,281,129
7.	Claims adjustment expenses (Line 20)	15,793,021	33,083,874	9,020,600	6,467,793	5,927,861
8.	Total administrative expenses (Line 21)	130,114,068	95,403,114	87,326,478	48,700,511	35,408,122
9.	Net underwriting gain (loss) (Line 24)	2,104,583	3,332,373	(3,146,812)	6,386,991	5,347,900
10.	Net investment gain (loss) (Line 27)	1,510,381	1,252,513	1,715,086	2,928,208	3,637,618
11.	Total other income (Lines 28 plus 29)	0	0	0	0	0
12.	Net income or (loss) (Line 32)	2,543,445	3,342,174	(664,129)	5,740,927	6,949,976
	Cash Flow (Page 6)					
13.	Net cash from operations (Line 11)	22,136,260	26,807,163	11,767,365	13,041,848	15,224,463
	Risk-Based Capital Analysis					
14.	Total adjusted capital	67,380,569	67,201,836	40,077,299	49,938,537	41,978,226
15.	Authorized control level risk-based capital	25,180,349	22,232,068	19,372,265	15,238,304	17,200,054
	Enrollment (Exhibit 1)					
16.	Total members at end of period (Column 5, Line 7)	246,475	236,177	208,474	176,055	160,502
17.	Total members months (Column 6, Line 7)	2,918,785	2,722,965	2,294,672	2,031,538	1,852,913
	Operating Percentage (Page 4) (Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0					
18.	Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5)	100.0	100.0	100.0	100.0	100.0
19.	Total hospital and medical plus other non-health (Lines 18 plus Line 19)	83.4	83.5	85.1	83.1	83.4
20.	Cost containment expenses	1.0	3.7	0.9	0.9	1.0
21.	Other claims adjustment expenses	0.8	0.4	0.5	0.3	0.3
22.	Total underwriting deductions (Line 23)	99.8	99.6	99.2	93.3	92.8
23.	Total underwriting gain (loss) (Line 24)	0.2	0.4	(0.5)	1.2	1.2
	Unpaid Claims Analysis (U&I Exhibit, Part 2B)					
24.	Total claims incurred for prior years (Line 13, Col. 5)	70,488,747	55,932,780	24,993,488	26,456,537	21,630,155
25.	Estimated liability of unpaid claims-[prior year (Line 13, Col. 6)]	74,044,027	64,911,875	43,171,484	38,672,401	26,581,927
	Investments In Parent, Subsidiaries and Affiliates					
26.	Affiliated bonds (Sch. D Summary, Line 12, Col. 1)	0	0	0	0	0
27.	Affiliated preferred stocks (Sch. D Summary, Line 18, Col. 1)				0	0
28.	Affiliated common stocks (Sch. D Summary, Line 24, Col. 1)				0	0
29.	Affiliated short-term investments (subtotal included in Schedule DA Verification, Col. 5, Line 10)	0	0	0	0	0
30.	Affiliated mortgage loans on real estate					
31.	All other affiliated					
32.	Total of above Lines 26 to 31	0	0	0	0	0

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3, Accounting Changes and Correction of Errors? Yes [ ] No [ ]

If no, please explain:

SCHEDULE T PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

		1	Direct Business Only							
			2	3	4	5	6	7	8	9
	States, etc.	Active Status	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums	Life & Annuity Premiums & Other Considerations	Property/ Casualty Premiums	Total Columns 2 Through 7	Deposit-Type Contracts
1.	Alabama AL	N							0	
2.	Alaska AK	N							0	
3.	Arizona AZ	N							0	
4.	Arkansas AR	N							0	
5.	California CA	N							0	
6.	Colorado CO	N							0	
7.	Connecticut CT	N							0	
8.	Delaware DE	N							0	
9.	District of Columbia DC	N							0	
10.	Florida FL	N							0	
11.	Georgia GA	N							0	
12.	Hawaii HI	N							0	
13.	Idaho ID	N							0	
14.	Illinois IL	N							0	
15.	Indiana IN	N							0	
16.	Iowa IA	N							0	
17.	Kansas KS	N							0	
18.	Kentucky KY	N							0	
19.	Louisiana LA	N							0	
20.	Maine ME	N							0	
21.	Maryland MD	N							0	
22.	Massachusetts MA	N							0	
23.	Michigan MI	L	712,073	33,853,769	858,083,508				892,649,350	
24.	Minnesota MN	N							0	
25.	Mississippi MS	N							0	
26.	Missouri MO	N							0	
27.	Montana MT	N							0	
28.	Nebraska NE	N							0	
29.	Nevada NV	N							0	
30.	New Hampshire NH	N							0	
31.	New Jersey NJ	N							0	
32.	New Mexico NM	N							0	
33.	New York NY	N							0	
34.	North Carolina NC	N							0	
35.	North Dakota ND	N							0	
36.	Ohio OH	N							0	
37.	Oklahoma OK	N							0	
38.	Oregon OR	N							0	
39.	Pennsylvania PA	N							0	
40.	Rhode Island RI	N							0	
41.	South Carolina SC	N							0	
42.	South Dakota SD	N							0	
43.	Tennessee TN	N							0	
44.	Texas TX	N							0	
45.	Utah UT	N							0	
46.	Vermont VT	N							0	
47.	Virginia VA	N							0	
48.	Washington WA	N							0	
49.	West Virginia WV	N							0	
50.	Wisconsin WI	N							0	
51.	Wyoming WY	N							0	
52.	American Samoa AS	N							0	
53.	Guam GU	N							0	
54.	Puerto Rico PR	N							0	
55.	U.S. Virgin Islands VI	N							0	
56.	Northern Mariana Islands MP	N							0	
57.	Canada CN	N							0	
58.	Aggregate other alien OT	XXX	0	0	0	0	0	0	0	0
59.	Subtotal	XXX	712,073	33,853,769	858,083,508	0	0	0	892,649,350	0
60.	Reporting entity contributions for Employee Benefit Plans	XXX							0	
61.	Total (Direct Business)	(a) 1	712,073	33,853,769	858,083,508	0	0	0	892,649,350	0
	DETAILS OF WRITE-INS									
5801.		XXX								
5802.		XXX								
5803.		XXX								
5898.	Summary of remaining write-ins for Line 58 from overflow page	XXX	0	0	0	0	0	0	0	0
5899.	Totals (Lines 5801 through 5803 plus 5898)(Line 58 above)	XXX	0	0	0	0	0	0	0	0

(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business in the state.

Explanation of basis of allocation by states, premiums by state, etc.

Premiums allocated by state based upon Geogrphic Market.

(a) Insert the number of L responses except for Canada and Other Alien.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART

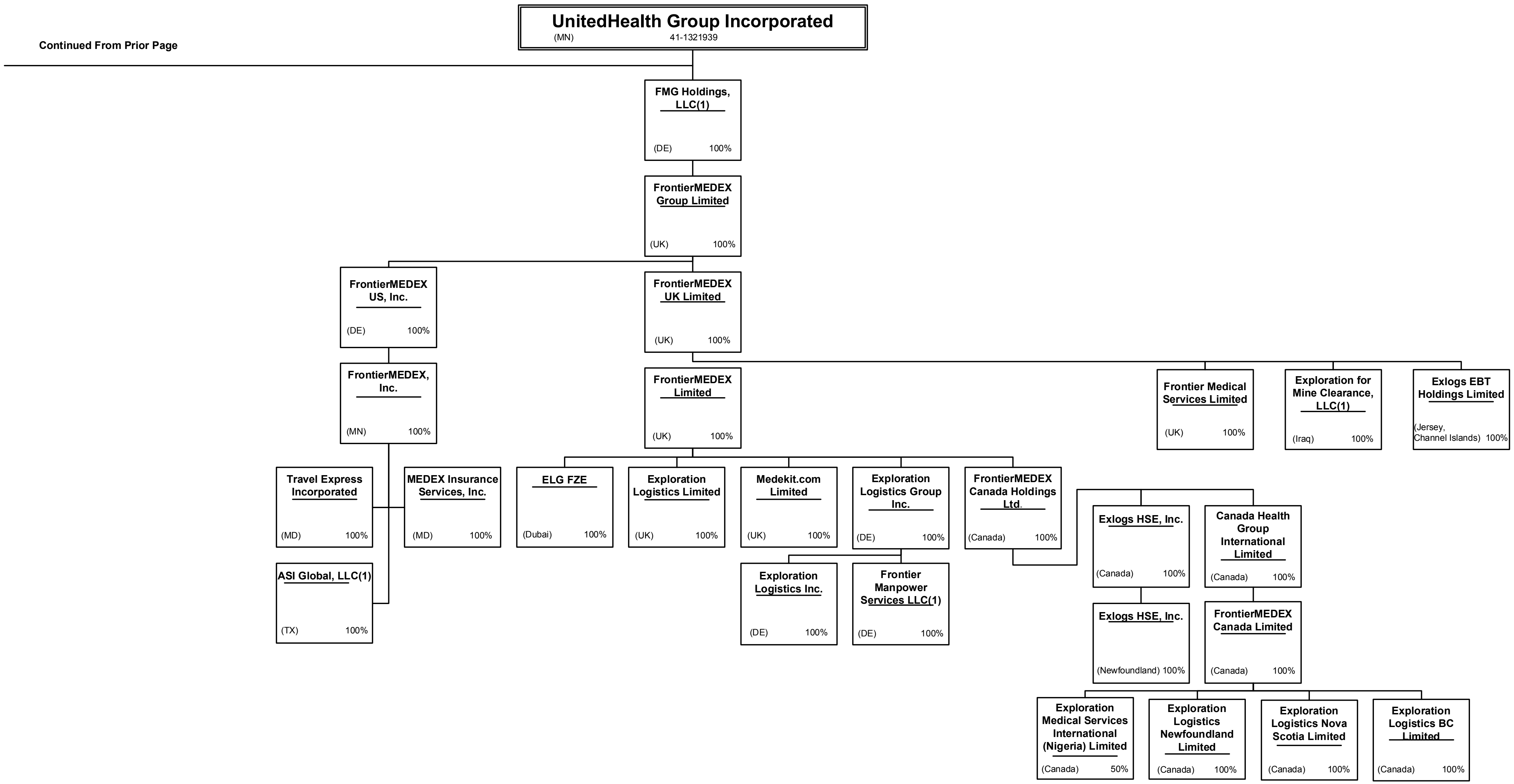
UnitedHealth Group Incorporated (MN) 41-1321939

Continued

- **AmeriChoice Corporation** 54-1743136 (DE) 100%
  - **AmeriChoice of New Jersey, Inc.** 22-3368602 NAIC No. 95497 HMO (NJ) 100%
  - **UnitedHealthcare of New York, Inc.** 06-1172891 NAIC No. 95085 HMO (NY) 100%
  - **AmeriChoice of Connecticut, Inc.** 26-2481299 NAIC No. 13178 HMO (CT) 100%
  - **AmeriChoice of Georgia, Inc.** 26-2688274 NAIC No. 13168 HMO (GA) 100%
  - **UnitedHealthcare Community Plan, Inc.** 38-3204052 NAIC No. 95467 HMO (MI) 100%
  - **Information Network Corporation** 86-0477097 (AZ) 100%
  - **AmeriChoice Health Services, Inc.** 54-1743141 (DE) 100%
  - **Three Rivers Holdings, Inc.** 25-1825549 (DE) 100%
    - **UnitedHealthcare of South Carolina, Inc.** 32-0062883 NAIC No. 11775 HMO (SC) 100%
    - **Unison Health Plan of Tennessee, Inc.** 62-1839257 NAIC No. 11139 HMO (TN) 100%
    - **Unison Health Plan of Delaware, Inc.** 20-5917714 MCO (DE) 100%
    - **Unison Health Plan of the Capital Area, Inc.** 26-0651931 NAIC No. 13032 HMO (DC) 100%
    - **UnitedHealthcare Community Plan of Ohio, Inc.** 56-2451429 NAIC No. 12323 HIC (OH) 100%
    - **UnitedHealthcare of Pennsylvania, Inc.** 25-1756858 NAIC No. 95220 HMO (PA) 100%
    - **Unison Administrative Services, LLC(1)** 25-1877716 (PA) 100%
- **Mid Atlantic Medical Services, LLC(1)** 20-0331371 (DE) 100%
  - **Optimum Choice, Inc.** 52-1518174 NAIC No. 96940 HMO (MD) 100%
  - **MAMSI Life and Health Insurance Company** 52-1803283 NAIC No. 60321 INS (MD) 100%
  - **Physicians Health Plan of Maryland, Inc.** 52-1162824 (MD) 100%
  - **MD - Individual Practice Association, Inc.** 52-1169135 NAIC No. 96310 HMO (MD) 100%
- **Oxford Health Plans LLC(1)** 52-2443751 (DE) 100%
  - **Oxford Benefit Management, Inc.** 06-1587795 (CT) 100%
  - **Oxford Health Plans (NJ), Inc.** 22-2745725 NAIC No. 95506 HMO (NJ) 100%
  - **Oxford Health Plans (CT), Inc.** 06-1181201 NAIC No. 96798 HMO (CT) 100%
  - **Oxford Health Plans (NY), Inc.** 06-1181200 NAIC No. 95479 HMO (NY) 100%
    - **Oxford Health Insurance, Inc.** 22-2797560 NAIC NO. 78026 INS (NY) 100%
  - **Health Net of Connecticut, Inc.** 06-1084283 NAIC No. 95968 HMO (CT) 100%
  - **Health Net of New York, Inc.** 06-1174953 NAIC No. 95305 HMO (NY) 100%
  - **Health Net Insurance of New York, Inc.** 13-3584296 NAIC No. 43893 INS (NY) 100%
  - **Health Net Services (Bermuda) Ltd.** 98-0153069 (Bermuda) 100%
  - **FOHP, Inc.** 22-3314813 (NJ) 100%
    - **Health Net of New Jersey, Inc.** 22-3241303 NAIC No. 95351 HMO (NJ) 100%
- **Golden Rule Financial Corporation** 37-0855360 (DE) 100%
  - **American Medical Security Life Insurance Company** 86-0207231 NAIC No. 97179 INS (WI) 100%
  - **UnitedHealthOne Agency, Inc.** 37-0920164 (IN) 100%
  - **Golden Rule Insurance Company** 37-6028756 NAIC No. 62286 INS (IN) 100%
  - **All Savers Insurance Company** 35-1665915 NAIC No. 82406 INS (IN) 100%
  - **All Savers Life Insurance Company of California** 35-1744596 NAIC No. 73130 INS (CA) 100%
- **PacifiCare Health Systems, LLC(1)** 20-3375956 (DE) 100%
  - **PacifiCare Health Plan Administrators, Inc.** 35-1508167 (IN) 100%
    - **PacifiCare of Arizona, Inc.** 94-3267522 NAIC No. 95617 HMO (AZ) 100%
    - **PacifiCare of Colorado, Inc.** 84-1011378 NAIC No. 95434 HMO (CO) 100%
    - **UnitedHealthcare of Oklahoma, Inc.** 33-0115166 NAIC No. 96903 HMO (OK) 100%
    - **UnitedHealthcare Benefits of Texas, Inc.** 33-0115163 NAIC No. 95174 HMO (TX) 100%
    - **PacifiCare Life and Health Insurance Company(5)** 35-1137395 NAIC No. 70785 INS (IN) 99%
    - **UHC of California** 95-2931460 Knox Keene 933-0126 (CA) 100%
    - **PacifiCare of Nevada, Inc.** 86-0875231 NAIC No. 95685 HMO (NV) 100%
    - **UnitedHealthcare of Oregon, Inc.** 93-0938819 NAIC No. 95893 HCSC (OR) 100%
    - **UnitedHealthcare of Washington, Inc.** 91-1312551 NAIC. No. 48038 HCSC (WA) 100%
    - **PacifiCare Life Assurance Company** 95-2829463 NAIC No. 84506 INS (CO) 100%
    - **UnitedHealth Group Global Healthcare Services Limited** (Ireland) 100%
  - **Union Health Solutions, Inc.** 33-0446372 (CA) 100%
- **United Health Foundation(3)(4)** (MN) 100%
- **UnitedHealth Group International B.V.** (Netherlands) 100%
  - **UnitedHealth Group Information Services Private Limited(6)** (India) 99.37%
  - **UnitedHealth Group Global Services, Inc.** (Philippines) 100%
  - **UnitedHealthcare India Private Limited(7)** (India) 99.9952%
- **UnitedHealthcare International Asia, LLC(1)** (DE) 100%
- **H & W Indemnity, Ltd.** 98-0213198 (Caymans) 100%
- **UHC International Services, Inc.** 41-1913059 (DE) 100%
- **UnitedHealth International, Inc.** 41-1917398 (DE) 100%
  - **Hygeia Corporation** 36-4331825 (DE) 100%
    - **Hygeia Corporation (Ontario)** (Ontario) 100%
- **United HealthCare Services, Inc.** — *See Pages 3 – 7 of organizational chart diagrams*

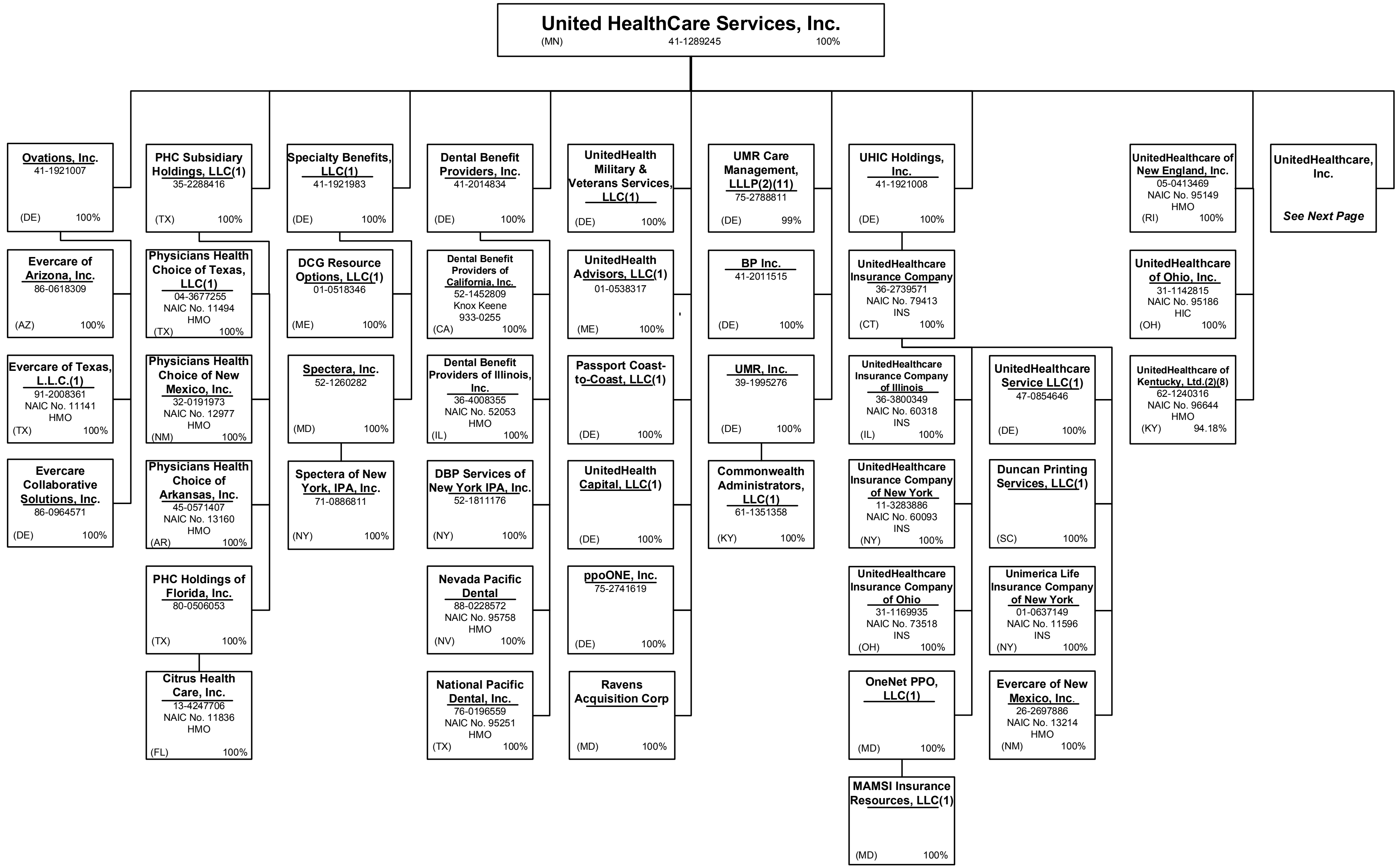
SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



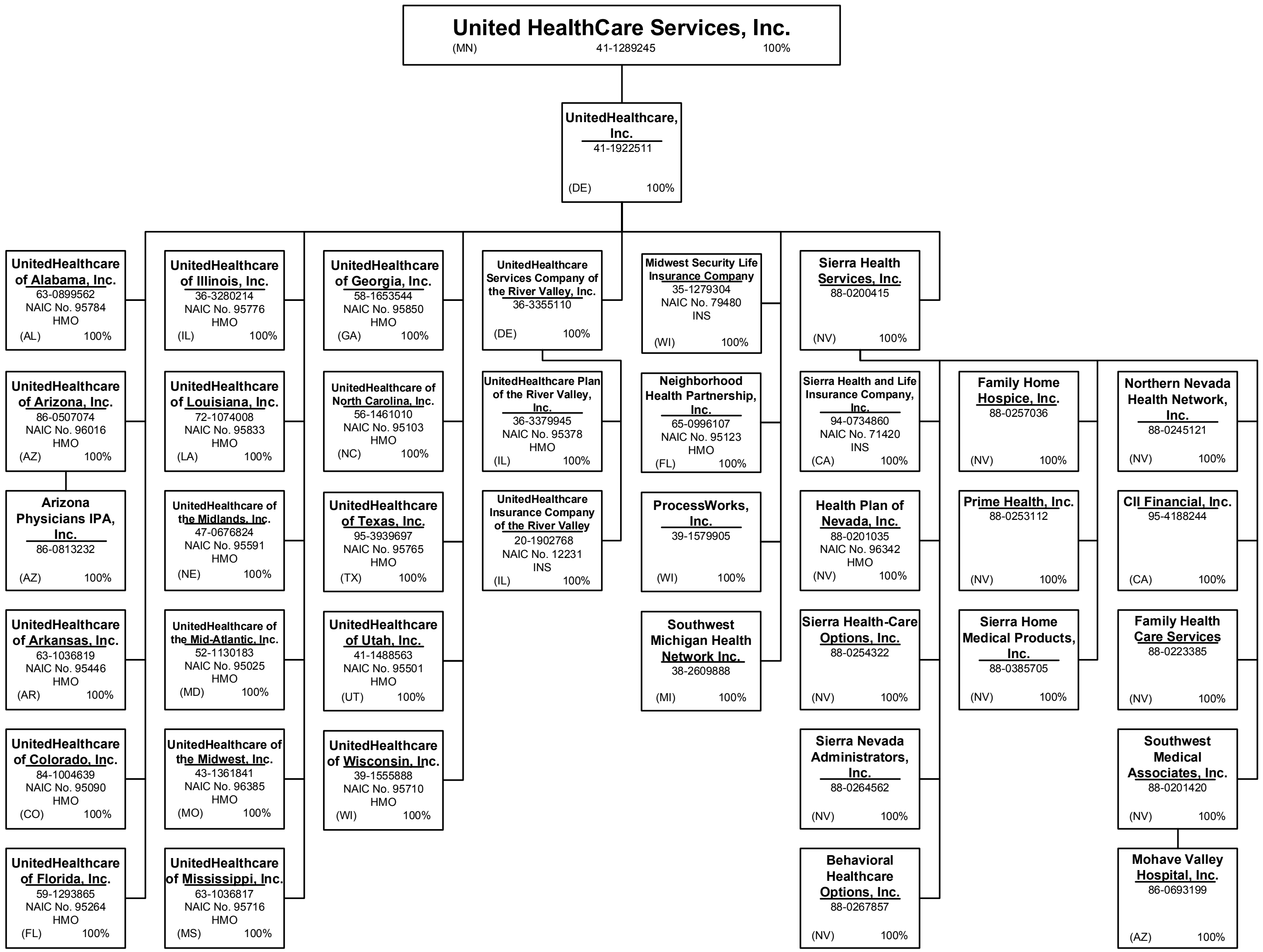
SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



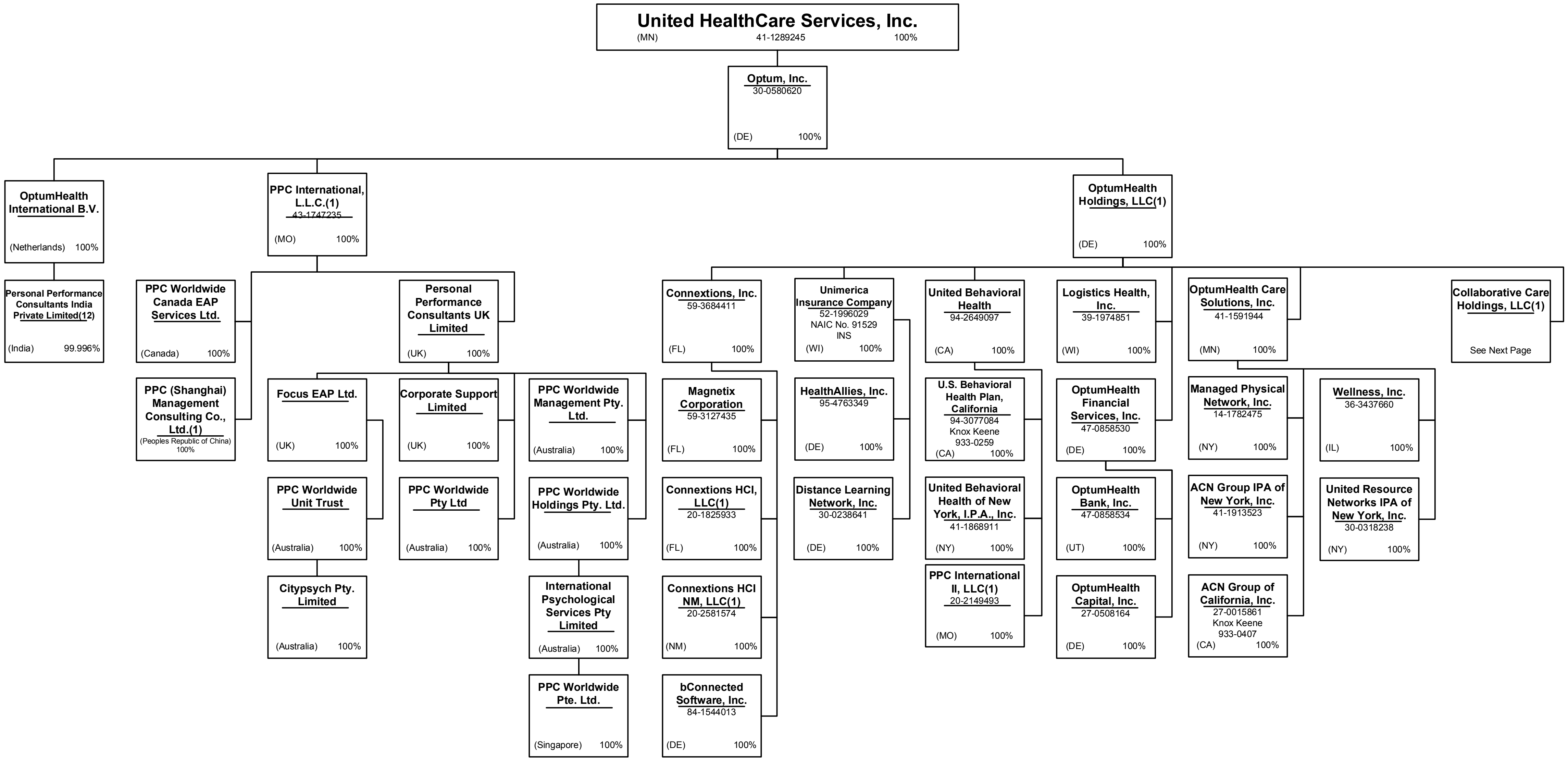
SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



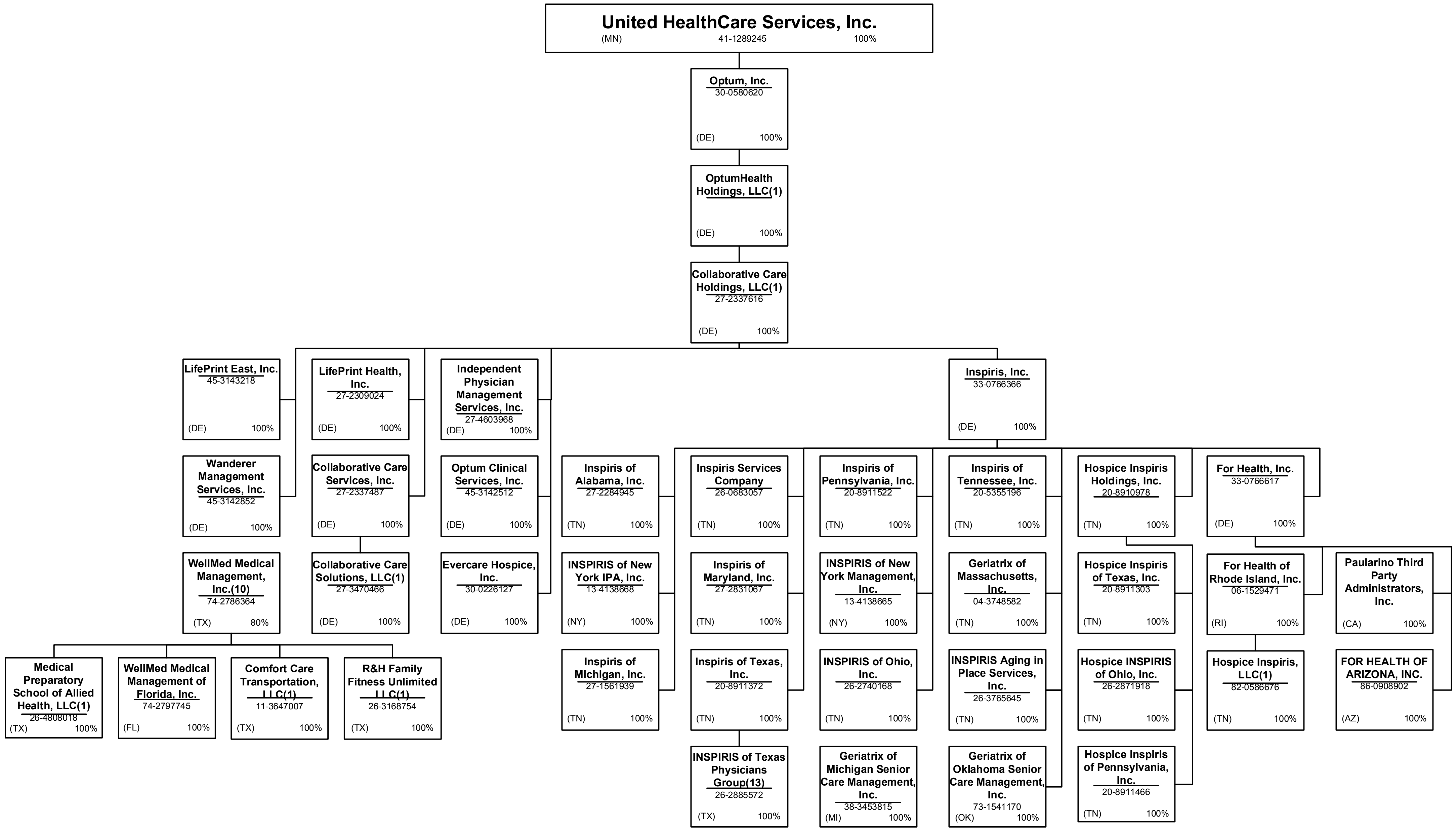
SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



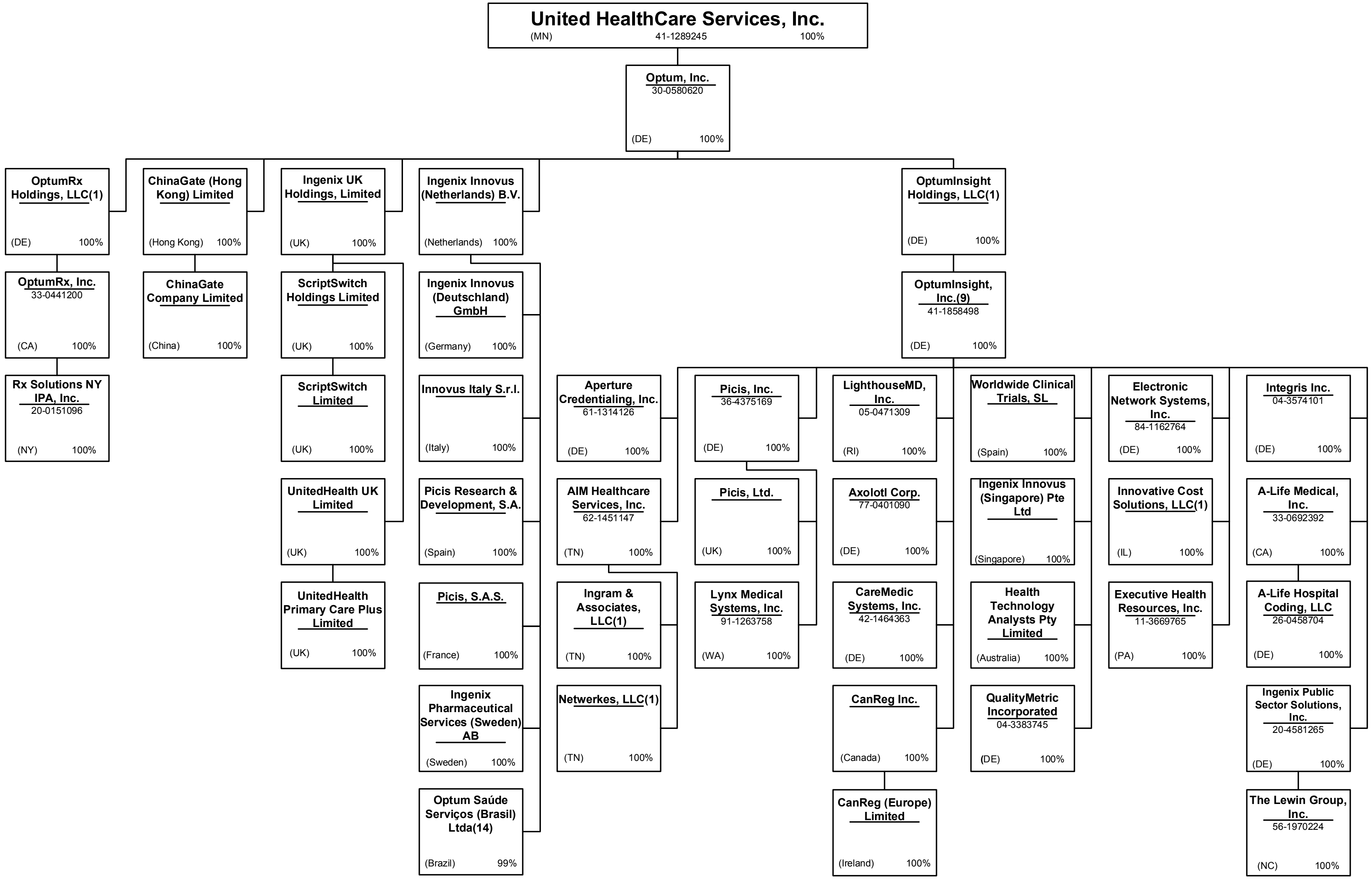
SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART

Notes

All legal entities on the Organization Chart are Corporations unless otherwise indicated.

(1) Entity is a Limited Liability Company

(2) Entity is a Partnership

(3) Entity is a Non-Profit Corporation

(4) Control of the Foundation is based on sole membership, not the ownership of voting securities

(5) PacifiCare Life and Health Insurance Company is 99% owned by PacifiCare Health Plan Administrators, Inc. and 1% owned by PacifiCare Health Systems, LLC

(6) UnitedHealth Group Information Services Private Limited is 99.37% owned by UnitedHealth Group International B.V.. The remaining 0.63% is owned by UnitedHealth International, Inc.

(7) United Healthcare India Private Limited is 99.9952% owned by UnitedHealth Group International B.V. and 0.0048% owned by UnitedHealth International, Inc.

(8) General partnership interests are held by United HealthCare Services, Inc. (89.77%) and by UnitedHealthcare, Inc. (10.23%). United HealthCare Services, Inc. also holds 100% of the limited partnership interests. When combining general and limited partner interests, United HealthCare Services, Inc. owns 94.18% and UnitedHealthcare, Inc. owns 5.83%.

(9) Established a branch, Ingenix, Inc. – Abu Dhabi, located in Abut Dhabi, UAE.

(10) WellMed Medical Management, Inc. is 80% owned by Collaborative Care Holdings, LLC and 20% owned by WMG Healthcare Partners, L.P.

(11) Limited partnership interest is held by United HealthCare Services, Inc. (99%). General partnership interest is held by UMR, Inc. (1%)

(12) Personal Performance Consultants India Private Limited is 99.996% owned by OptumHealth International B.V. and 0.004 % owned by United Behavioral Health.

(13) INSPIRIS of Texas Physicians Group is a Texas non-profit (taxable) whose sole member is Inspiris of Texas, Inc.

(14) Optum Saúde Serviços (Brasil) Ltda. Is 99% owned by Ingenix Innovus (Netherlands) B.V. The remaining 1% is owned by OptumInsight, Inc.

OVERFLOW PAGE FOR WRITE-INS

Additional Write-ins for Underwriting and Investment Exhibit Part 3 Line 25

	Claim Adjustment Expenses		3	4	5
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses	General Administrative Expenses	Investment Expenses	Total
2504. Sundry General Expenses	22,078	17,306	180,067	0	219,452
2597. Summary of remaining write-ins for Line 25 from overflow page	22,078	17,306	180,067	0	219,452

ALPHABETICAL INDEX

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ANNUAL STATEMENT BLANK (Continued)